

CONDITIONAL VOLUNTARY OFFER TO ACQUIRE ALL OUTSTANDING SHARES IN ENTRA ASA



MADE BY



Samhällsbyggnadsbolaget

Samhällsbyggnadsbolaget i Norden AB

(A public limited liability company incorporated under the laws of Sweden)

Offer of common class B shares in connection with Samhällsbyggnadsbolaget i Norden AB's voluntary offer to acquire all outstanding shares in Enträ ASA

This combined offer document and exempted document (the "**Offer Document**" or "**Exempted Document**") has been prepared in connection with the voluntary offer (the "**Offer**") to acquire all outstanding shares in Enträ ASA, a public limited liability company incorporated under the laws of Norway ("**Enträ**", and together with its subsidiaries, the "**Enträ Group**"), which is listed on the Oslo Stock Exchange, a stock exchange operated by Oslo Børs ASA, by Samhällsbyggnadsbolaget i Norden AB, a Swedish public limited liability company incorporated under the laws of Sweden ("**SBB**", "**Offeror**" or the "**Company**", and together with its subsidiaries, the "**SBB Group**"), which is listed on Nasdaq Stockholm.

The consideration (the "**Offer Price**") offered by SBB for shares in Enträ (the "**Enträ Shares**") in the Offer is NOK 190 per Enträ Share, which will be delivered as follows:

- NOK 123.50 in cash (the "**Cash Consideration**"); and
- a number of SBB's Class B common shares (the "**SBB Class B Shares**") that represents a value of NOK 66.50 (the "**Share Consideration**" and together with the Cash Consideration, the "**Base Consideration**").

Accordingly, 65% of the Base Consideration will be delivered in cash, while 35% of the Base Consideration will be delivered as Share Consideration. The number of SBB Class B common shares that will be delivered under the Share Consideration will be calculated based on the volume-weighted average share price of the SBB Class B Share during the last three trading days before the Offer is declared unconditional by SBB, and based on the SEK/NOK exchange rate of Norges Bank on the last of these three trading days. SBB reserves the right to settle the Share Consideration partially or wholly in cash at its sole discretion.

Further, SBB offers shareholders of Enträ a mix & match facility (the "**Mix & Match Facility**"), whereby each shareholder, subject to the restrictions set out in this Offer Document, may elect to receive as much cash consideration or as much share consideration as possible for the tendered Enträ Shares.

The existing SBB Class B Shares are listed and traded on Nasdaq Stockholm, Large Cap, under ticker code "SBB B" and carry International Securities Identification Number ("**ISIN**") SE0009554454. The new SBB Class B Shares issued in connection with the Offer will be listed on Nasdaq Stockholm under the same ticker code (the "**Consideration Shares**"). All of the existing SBB Class B Shares are, and the Consideration Shares will be, registered in the Swedish central securities depository Euroclear Sweden AB ("**Euroclear Sweden**") in book-entry form. In connection with the Offer, SBB will submit an application for a listing of SBB Class B Shares on the Oslo Stock Exchange (main list) (the "**Secondary Listing**"). Subject to approval by the Oslo Stock Exchange of SBB's application for the Secondary Listing, it is expected that the Class B Shares (including the Consideration Shares) will be eligible for a secondary listing on the Oslo Stock Exchange in connection with the settlement of the Offer. See Section 3.3.11 "Settlement" for information about settlement procedures and delivery of Consideration Shares for shareholders in Enträ.

The shareholders of Enträ may accept the Offer in the period from and including 21 January 2021 to and including 16:30 hours (CET) on 26 February 2021 (the "**Offer Period**"). The Offer Period may, subject to SBB's sole discretion, in consultation with the Receiving Agent, be extended beyond the set times. The Offer Period will in no event be extended beyond 16:30 hours (CET) on 1 April 2021. Any extension of the Offer Period will be announced through a stock exchange notice.

This Exempted Document serves as a prospectus equivalent document for the purpose of offering shares to the public, cf. Section 7-1 of the Norwegian Securities Act cf. the Prospectus Regulation Article 1 (4) point (f). This Exempted Document is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, and therefore it has not been subject to scrutiny and approval by the relevant competent authority as set out in Article 20 of Regulation 2017/1129.

Investing in the Consideration Shares involves a high degree of risk. See Section 1 "Risk factors" beginning on page 8 for more information.

THIS OFFER DOCUMENT IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES (OTHER THAN TO CERTAIN PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS ("QIBs")), AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT), CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR SIMILAR ACTS.

THE OFFER IS NOT BEING MADE AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION OR TO ANY PERSON WHERE THE MAKING OR ACCEPTANCE OF THE OFFER OR SOLICITATION WOULD BE IN VIOLATION OF THE LAWS OR REGULATIONS OF SUCH JURISDICTION.

Receiving Agent



The date of this Offer Document is 20 January 2021

IMPORTANT INFORMATION

This combined offer document and exempted document has been prepared in connection with (i) the Offer made by SBB to acquire all outstanding shares in Entra on the terms and conditions set out in this Offer Document and (ii) the offering of SBB Class B Shares.

This Exempted Document has been prepared by SBB in connection with the Offer and serves as a prospectus equivalent document, cf. Article 1 (4) (f) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Exempted Document has been prepared solely in the English language. This Exempted Document does not constitute a prospectus within the meaning of the EU Prospectus Regulation. The Exempted Document has not been subject to the scrutiny and approval by the Financial Supervisory Authority of Norway (the "**Norwegian FSA**") or any other prospectus authority. This Offer Document has also been prepared to comply with the requirements regarding voluntary offers set out in Chapter 6, Section 6-19 of the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**"). Oslo Børs, a stock exchange operated by Oslo Børs ASA, has in its capacity as take-over authority of Norway pursuant to Section 6-14 of the Norwegian Securities Trading Act reviewed and approved the offer document included as Section 3 "The Offer" and Section 4 "About the Entra Group" to this Offer Document. The mentioned sections of the Offer Document were approved by Oslo Børs on 20 January 2021.

For definitions of terms used in this Offer Document, see Section 18 "Definitions".

Artic Securities AS, Citigroup Global Markets Europe AG, DNB Markets and Goldman Sachs International are acting as financial advisors only to the Offeror (the "**Financial Advisors**") and each of them a "**Financial Advisor**") in connection with the Offer. Arctic Securities AS is also acting receiving agent (the "**Receiving Agent**") in connection with the settlement of the Offer. The Financial Advisors are not acting for anyone else in connection with the Offer or the matters described in this Offer Document or any related announcement and none of the Financial Advisors nor their respective affiliates, partners, directors, officers, employees or agents are responsible to anyone other than the Offeror for providing the protections afforded to clients, nor for providing advice or recommendations in connection with the Offer, nor for any other matters referred to in this Offer Document. None of the Financial Advisors nor their respective affiliates, partners, directors, officers, employees or agents owes or accepts, and expressly disclaims, any and all duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person other than SBB in connection with this Offer Document, any statement contained herein, the Offer or otherwise.

The Financial Advisors have not conducted a due diligence exercise of SBB or of Entra in connection with the offering of SBB Class B Shares, and have not assumed any responsibility to independently verify the information contained in this Offer Document and do not make any representation or warranty, express or implied, or accept any liability as to the accuracy, completeness or verification of such information. Nothing contained in this Offer Document is or shall be relied upon as a promise or representation by any Financial Advisors in this respect, whether as to the past or the future. This Offer Document and any separate notices, summaries and other documentation regarding the Offer, the making of the Offer or the offering of SBB Class B Shares (together with the Offer Document, the "**Documentation**") have been prepared by and are the sole responsibility of the Offeror.

The information contained in this Offer Document is current as at the date hereof and subject to change, completion and amendment without notice. If there are any material changes to the information in the Offer Document, such changes will be announced in accordance with the provisions of the Norwegian Securities Trading Act. The information in this Offer Document is furnished solely for the purpose of the Offer and may not be relied upon for any other purposes. With exception of SBB, as the Offeror, no person is entitled or authorised to provide any information or make any representations in connection with the Offer, other than the information included in this Offer Document. If any such information or representation is provided or made by any other party than SBB, such information or representation, as the case may be, should not be relied upon as having been provided or made by or on behalf of SBB. Shareholders of Entra (each an "**Entra Shareholder**") must rely upon their own examination of this Offer Document. Each shareholder should study this Offer Document carefully in order to be able to make an informed and balanced assessment of the Offer and the information that is discussed and described herein. Shareholders should not construe the contents of this Offer Document as legal, tax or accounting advice, or as information necessarily applicable to each shareholder. Each shareholder is urged to seek independent advice of its own financial and legal advisors prior to making a decision to accept the Offer.

Information on Entra and/or the Entra Group presented in this Offer Document is solely extracted from the Entra Group's website, publicly available financial statements and financial reports, as well as other material concerning the Entra Group which is available in the public domain. Entra has not participated in the preparation of this Offer Document. SBB disclaims any responsibility and liability for the accuracy or completeness of the Offer Document in terms of the information on Entra and/or the Entra Group. The delivery of this Offer Document shall not under any circumstances imply that there has been no change in the affairs of SBB, the Group, Entra or the Entra Group after the date hereof or that the information in this Offer Document or in the documents referred to herein is correct as of any time subsequent to the dates hereof or thereof.

Certain figures in this Offer Document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances (i) the sum or percentage change of such numbers may not conform exactly with the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly with the total figure given for that column or row.

In this Offer Document, the following currency terms are used: "**EUR**", "**euro**" or "**€**" means the lawful currency of the EU member states that adopted the single currency; "**Norwegian krone**" and "**NOK**" refer to the lawful currency of the Kingdom of Norway; and "**Swedish krona**" or "**SEK**" refer to the lawful currency of the Kingdom of Sweden. All financial amounts are in SEK unless indicated otherwise.

Except as expressly stated herein, no financial information in this Offer Document has been audited or reviewed by SBB's auditor or the auditor of Entra.

APPLICABLE LAW AND DISPUTES

The Offer, and any agreements entered into in connection with the Offer, shall be governed by and construed in accordance with the laws of Norway. The Norwegian rules on takeover bids as stipulated in the Norwegian Securities Trading Act Chapter 6 and the Securities Trading Regulations Chapter 6, implementing Directive 2004/25/EF on takeover bids (the "**Takeover Directive**") apply in relation to the Offer. In accordance with the Norwegian Securities Trading Act, SBB has informed the Oslo Børs about the Offer. The courts of Norway shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer and Oslo District Court shall be the court of first instance.

NOTICE CONCERNING RESTRICTED DISTRIBUTION OF THE OFFER DOCUMENT

General

The distribution of this Offer Document and any related Offer Documentation in certain jurisdictions may be restricted or affected by the laws of such jurisdictions. Accordingly, copies of this Offer Document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any such jurisdiction. Therefore, persons who receive this communication (including, without limitation, nominees, trustees and custodians) and are subject to the laws of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, SBB disclaims any responsibility or liability for the violations of any such restrictions by any person.

The Offer is not being made, and this Offer Document may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in any jurisdiction in which the making of the Offer, the distribution of this Offer Document or the acceptance of any tender of shares would contravene applicable laws or regulations or require further Offer Documents, filings or other measures in addition to those required under Swedish law.

See Section 16 "Selling and transfer restrictions" for certain other notices to investors.

Notice to investors in Canada

Neither this Offer Document nor any copy of it may be taken or transmitted into Canada or distributed or redistributed in Canada or to any individual outside Canada who is a resident of Canada, except in compliance with applicable rules.

Notice to investors in Australia

The Offer is not being made, directly or indirectly, in or into and may not be accepted in or from Australia. Accordingly, if any copies of this Offer Document (and any accompanying documents) are mailed or otherwise distributed or sent in or into Australia, that action does not constitute an offer and any purported acceptance by or on behalf of an Australian resident will be invalid.

No document has been lodged with the Australian Securities & Investments Commission ("**ASIC**") by or on behalf of SBB in connection with the Offer, and ASIC has not approved the Offer in Australia.

Notice to investors in Japan

Neither this Offer Document nor any copy of it may be taken or transmitted into Japan or distributed or redistributed in Japan or to any resident thereof for the purpose of solicitation of subscription or offer for sale of any securities or in the context where its distribution may be construed as such solicitation or offer.

NOTICE TO INVESTORS IN THE UNITED STATES

This Offer Document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, securities in the United States of America (the "**U.S.**" or "**United States**"). The Consideration Shares (as defined herein) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state or jurisdiction in the United States and may not be offered or sold in the United States absent registration or an exemption from registration. Consequently, the Share Consideration (as such is defined herein) is not being made available, and Consideration Shares are not being offered, sold or delivered, directly or indirectly, in or into the United States if to do so would constitute a violation of the U.S. Securities Act.

U.S. investors should closely read Section 3.3.14 "Notice to U.S. Investors", Section 16.2 "Selling restrictions" (and especially Section 16.2.1 "United States") and Section 16.3 "Transfer restrictions" of this Offer Document. Any Consideration Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section 16.3 "Transfer restrictions".

In the United States, this Offer Document is being furnished on a confidential basis solely for the purposes of enabling an Entra Shareholder that is reasonably believed to be a QIB to consider accepting the Offer. The information contained in this Offer Document has been provided by SBB and other sources identified herein. Distribution of this Offer Document to any person other than the offeree specified by the Receiving Agent or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of SBB, is prohibited. This Offer Document is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Consideration Shares or subscribe for or otherwise acquire any shares in SBB.

NOTICE TO INVESTORS IN THE EEA AND THE UNITED KINGDOM

In any member state of the European Economic Area (the "**EEA**"), other than Norway and the United Kingdom (the "**UK**") (each a "**Relevant State**"), this communication is only addressed to and is only directed at persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation and Article 2 of the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). The Offer Document has been prepared on the basis that all offers of Consideration Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA or the UK of Consideration Shares which is the subject of the Offer contemplated in this Offer Document within any Relevant State should only do so in circumstances in which no obligation arises for SBB or the Receiving Agent to publish a prospectus or pursuant to Article 1 of the EU Prospectus Regulation (or the UK Prospectus Regulation) or a supplement prospectus pursuant to Article 23 of the EU Prospectus Regulation (or the UK Prospectus Regulation), in each case, in relation to such offer. Neither SBB nor the Receiving Agent have authorised, nor do they authorise, the making of any offer of Consideration Shares through any financial intermediary, other than offers made by the Receiving Agent which constitute the final placement of Consideration Shares contemplated in this Offer Document.

Each person in a Relevant State other than, in the case of paragraph (a), persons receiving offers contemplated in this Offer Document in Norway, who receives any communication in respect of, or who acquires any Consideration Shares under, the offers contemplated in this Offer Document will be deemed to have represented, warranted and agreed to and with the Receiving Agent and SBB that:

- a) it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation, or Article 2 of the UK Prospectus Regulation, as applicable; and
- b) in the case of any Consideration Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation (or the UK Prospectus Regulation as applicable), (i) such Consideration Shares acquired by it in the Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the EU Prospectus Regulation (or the UK Prospectus Regulation as applicable), or in circumstances in which the prior consent of the Receiving Agent have been given to the offer or resale; or (ii) where such Consideration Shares have been acquired by it on behalf of persons in any Relevant State other than qualified investors, the offer of those Consideration Shares to it is not treated under the EU Prospectus Regulation (or the UK Prospectus Regulation as applicable) as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any Consideration Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offer and the Consideration Shares to be offered, so as to enable an investor to decide to acquire any Consideration Shares.

Additionally, in UK, this Offer Document is only being distributed to and is only directed at persons who are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth companies and other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made, (all such persons together being referred to as "**Relevant Persons**"). In the UK, the Consideration Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such SBB Class B Shares will be engaged in only with, Relevant Persons. Any such person who is not a Relevant Person should not act or rely on this document or any of its contents. For the purposes of this provision, with respect to the UK, the expression "EU Prospectus Regulation" shall refer to the EU Prospectus Regulation or that regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Consideration Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**").

Solely for the purposes of the product governance requirements in the UK contained within: (a) Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**") and (b) the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") (together the "**UK MiFIR Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the UK MiFIR Product Governance Requirements) may otherwise have with respect thereto, the Consideration Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFIR; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFIR (together with the EU Target Market Assessment, the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Consideration Shares may decline and investors could lose all or part of their investment; the Consideration Shares offer no guaranteed income and no capital protection; and an investment in the Consideration

Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Consideration Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Consideration Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Consideration Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

SBB is a public limited liability company incorporated under the laws of Sweden. As a result, the rights of holders of the shares in SBB will be governed by Swedish law and SBB's articles of association (the "**Articles of Association**"). The rights of shareholders under Swedish law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of SBB's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Group (the "**Management**") are not residents of the United States, and all of SBB's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on SBB, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against SBB or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Sweden will enforce judgments obtained in other jurisdictions, including the United States, against SBB or the Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Sweden against SBB or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Sweden.

Similar restrictions may apply in other jurisdictions.

FORWARD-LOOKING STATEMENTS

This Offer Document contains certain statements about SBB and Entra, and their respective businesses, as well as the timing and procedures relating to the Offer and potential amendments to the Offer that are or may be considered as forward-looking statements. These forward-looking statements can be identified by the fact that they relate to SBB's or Entra's estimated or anticipated future results, or the fact that they do not otherwise relate exclusively to historical or current facts. Forward-looking statements sometimes use words such as "may", "might", "will", "seek", "continue", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "could", "should", "forecast", "outlook", "guidance", "possible", "potential", "predict", "project", or other words or phrases of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Offer, including the timetable and conditions and other terms relating to the Offer and other statements that are not historical facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances beyond SBB's and Entra's control. As a result, actual future results may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made herein speak only as of the date they are made. SBB disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in SBB's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except to the extent required by law.

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1 RISK FACTORS

This section contains the risk factors and significant circumstances considered to be material to the SBB Group's business and future development. The risk factors relate to the SBB Group's industry, markets and operations, and further includes risks related to the SBB Group's financing arrangements, legal, regulatory and corporate governance issues as well as risks related to shares. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Regulation of the European Parliament and the council (EU) of 14 June 2017, the risk factors mentioned below are limited to risks which are specific to SBB and/or to the shares and which are material for making an informed investment decision.

The description below is based on information available as of the date of this Offer Document. The risk factors that are currently considered to be the most material are presented first in each category and the subsequent risk factors are presented in no particular order.

The risks and uncertainties described below could have a material adverse effect on the SBB Group's operations, financial position and/or earnings. They could also cause the value of SBB's shares to decrease, which could entail that shareholders of SBB lose all or part of their investment.

1.1 Risks related to the industry in which the SBB Group operates

1.1.1 *The SBB Group's results of operations and profitability are subject to risks related to general economic conditions and demographic trends in its geographical markets*

The SBB Group is affected by macroeconomic factors such as general economic trends, regional economic development, employment rates, production rates of new premises, changes of infrastructure, inflation and interest rates in Sweden, Norway, Finland and Denmark. These factors significantly impact supply and demand in the real estate market and accordingly affect occupancy rates, rent levels and gross asset values of the SBB Group's properties. If the general economic situation weakens, the value and rental income of the SBB Group's property portfolio may decline. The majority of the SBB Group's property portfolio is located in Sweden and the SBB Group operates in different geographical markets throughout Sweden. In 2015, Swedish GDP grew by 4.0 percent. This was followed by slower growth in subsequent years, with GDP growth of 3.3 percent, 2.4 percent, 2.3 percent and 1.2 per cent for the years 2016, 2017, 2018 and 2019, respectively. The Swedish GDP is expected to decline by 3.5 percent during the year 2020 and thereafter grow by 3.0, 3.0 and 2.5 during the following year, 2021, 2022 and 2023, respectively.¹ While Sweden maintains a strong labour market and elevated employment and activity rates, there can be no assurances that these positive trends will continue. Sweden's economy may also be impacted by its neighbouring countries which could result in deterioration of the economic conditions in Sweden. Additionally, the SBB Group's community service portfolio is affected by demographic trends such as the growing prevalence of aging populations and increasing rural-to-urban migration in the Nordic region. The demographic trends impact the level of supply and demand for the SBB Group's properties and fluctuations in demography could have a have a material adverse effect on the SBB Group's results of operations and profitability.

In addition to operating in various regions in Sweden, the SBB Group also operates in different regions within Norway, Finland and Denmark. Differences between these countries, as well as their internal regional variances, may result in significant differences in the economic conditions in their respective regional property and rental markets, the level of supply and demand for properties and the return on property investments. Consequently, economic downturns or fluctuations could have different impacts within the SBB Group's different market areas. A downturn or fluctuation in growth in the local markets in which the SBB Group operates may affect occupancy rates and rent levels, which can negatively impact the SBB Group's rental income, and may negatively impact the SBB Group's business overall, its financial position and its earnings. If demand to rent the SBB Group's properties falls in any or all of the geographical markets where the SBB Group's properties are located, this could have a material adverse effect on the SBB Group's results of operations and profitability.

1.1.2 *The SBB Group's financial position and results of operations are subject to risks related to developments in the global financial markets*

The Nordic markets are affected by developments in the global financial markets. Concerns about credit risk (including that of sovereigns) have increased globally, especially with the presence of significant sovereign debts and/or fiscal deficits in a number of European countries and the United States. This has raised concerns regarding the financial condition of financial institutions and other corporates located in these countries, having direct or indirect exposure to these countries, and/or whose banks, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions globally, could cause severe stress in the financial system generally and could adversely affect

¹ Source: Newsec

the markets in which the SBB Group operates and the businesses and economic condition and prospects of the SBB Group's counterparties or customers, directly or indirectly, in ways that are difficult to predict. The SBB Group largely finances its operations by incurring debt and had, as of 30 September 2020, a Loan-to-Value Ratio of approximately 42 percent.

Adverse developments in the global financial markets could limit SBB's access to the capital it requires to finance its operations and could have a material adverse impact on the SBB Group's financial position and results of operations

1.1.3 The SBB Group operates in a competitive market and the SBB Group may fail to compete successfully

The SBB Group is active in the property industry which is subject to substantial competition, including community service property providers such as Vacse AB and Hemsö Fastighets AB, and residential property providers such as Rikshem AB, Heba Fastighets AB, Wallenstam AB and Hembla AB. The SBB Group's competitiveness is dependent on its ability to acquire desirable properties in attractive locations, attract and retain tenants, to anticipate future changes and trends in the industry, and to adapt swiftly to, for example, current and future market needs. Furthermore, the SBB Group competes for tenants based on, for example, the location of the property, rents, size, accessibility, quality, tenant satisfaction, convenience and the SBB Group's reputation.

The SBB Group's competitors may have greater financial resources than the SBB Group, a better capacity to withstand downturns in the market, greater access to potential acquisition targets, compete more effectively, retain skilled personnel and respond faster to changes in local markets. In addition, competitors may have a higher tolerance for lower yield requirements and more efficient technology platforms. Furthermore, the SBB Group may need to incur additional investment costs to keep its properties competitive in relation to competitors' properties. If the SBB Group cannot compete successfully, this can significantly impact rent levels and vacancy rates and the SBB Group's income could be reduced.

1.1.4 The SBB Group is exposed to the risk that it may be unable to sell any portion of its total portfolio on favourable terms or at all

The SBB Group is exposed to risks arising from the illiquidity of parts of its property portfolio. Community service properties constitute a unique asset class as they have been adapted to fit specific purposes and there is a limited buyer universe and a limited number of investors in this sector. As a result, although municipalities and county councils have access to financing even when financial markets are distressed through entities such as Kommuninvest in Sweden, the market for the types of properties the SBB Group owns or may acquire in the future has historically been characterized by limited liquidity. If the SBB Group is required to liquidate parts of its portfolio on short notice for any reason, including raising funds to support its operations or to repay outstanding indebtedness, the SBB Group may not be able to sell any portion of its portfolio on favourable terms or at all. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property or property portfolio being sold and the price at which the SBB Group could otherwise sell such property or property portfolio. Any such shortfall could have a material adverse effect on the SBB Group's financial position and results of operations. In addition, the SBB Group may face further difficulty in disposing of its properties due to covenants and pledges limiting asset disposals in the SBB Group's financing agreements. These restrictions could complicate or delay any proposed property development.

Additionally, in the SBB Group's acquisition agreements, fixed-term warranties regarding the property and the acquired company are regularly provided by the seller. These warranties may not cover all risks or may fail to cover such risks sufficiently. Additionally, there is a risk that a warranty made by a seller may be unenforceable due to the seller's insolvency or otherwise as well as the risk that when subsidiaries of the SBB Group sell properties and companies, the buyer may bring warranty claims against the SBB Group in relation to any damage that may have arisen. Moreover, the SBB Group's business includes the ongoing disposal of properties for recycling of capital and there are risks associated with this owing to the nature of the SBB Group's portfolio and potential difficulties finding prospective buyers.

Any of the foregoing factors could lead to properties being sold at a price considerably lower than anticipated, which could have a material adverse impact on the SBB Group's financial position and results of operations.

1.1.5 The gross asset value of the SBB Group's properties shown in the valuation reports may prove to be inaccurate and the gross asset value may decrease in the future

The SBB Group's properties are reported at market value in the SBB Group's consolidated balance sheet with changes in value being shown in the income statement.

The SBB Group reports its investment properties at fair value. Under the SBB Group's valuation policy, 100 percent of its properties are valued as of 30 June and 31 December of each year by external valuers, while the remaining quarters

are valued internally. However, for the financial years 2019, 2018 and 2017, as well as the financial year 2020 to date, the SBB Group's properties have all been valued by external valuers for each quarter. As of 30 September 2020, the gross asset value of the SBB Group's properties was SEK 81.2 billion. Property valuations represent the opinion of the independent valuer who prepares the valuation report and the assumptions underlying the appraisals are tested, as is customary, through random sampling. Additionally, property valuations by their nature are inherently subjective and are based on a number of assumptions that may not prove to be accurate. Such assumptions include property specific assumptions regarding rent levels, occupancy rates and operating expenses and market specific assumptions regarding macroeconomic developments, general economic trends, regional economic development, employment rates, production rates of new premises, changes of infrastructure and inflation and interest rates in Sweden, Norway Finland and Denmark. It is possible that the valuations received by the SBB Group do not accurately represent the current value of the SBB Group's properties or reflect the amounts for which the properties could be sold. Moreover, appraisal methods that are currently generally accepted and that were used for the purpose of developing valuation reports of the SBB Group's portfolio may in hindsight be determined to be unsuitable. It cannot be ruled out that the assumptions underlying the appraisals of the properties in the past or in the future may later be determined to have been erroneous. In addition, the valuation reports, which are based on a valuation time around 30 September 2020, are subject to specific uncertainties of evaluation given the outbreak of the new coronavirus (Covid-19) and its current impact and potential future impact which Covid-19 may have on the real estate market. Accordingly, investors should not assume that the gross asset value of the SBB Group's property as shown on the balance sheet is accurate or will not change in the future.

The real estate market and property prices are subject to fluctuations. If the gross asset value of the properties decreases, the decrease in value will adversely impact the SBB Group's results of operations. In addition, a reduction in gross asset value could result in a breach of certain covenants in the SBB Group's financing agreements, which in turn could result in such financings being accelerated prior to maturity and consequently affect the liquidity of the SBB Group.

1.2 Risks related to the business of the SBB Group

1.2.1 *Decreases in the SBB Group's rental income and Economic Occupancy Rate and increases in tenant turnover may have an adverse effect on the SBB Group's results of operations*

The SBB Group's commercial success depends on its ability to maintain and increase its rental income. Therefore, in addition to rental rates, a notable risk to the SBB Group's operations is related to its Economic Occupancy Rate and to a lesser extent tenant turnover and, by extension, the amount of rental income the SBB Group is able to generate. These depend on, among other things, macroeconomic conditions, demographic trends and the level of new residential construction, which could increase the supply of rental properties relative to demand. Furthermore, if the condition, location or other characteristics of the properties in the SBB Group's property portfolio are not responsive to the demand, this may negatively affect the SBB Group's ability to maintain and increase rent levels and total rental income.

The Economic Occupancy Rate of the SBB Group's property portfolio has a significant impact on the SBB Group's rental income and, therefore on the profitability of the SBB Group's operations. The Economic Occupancy Rate of the SBB Group's properties was 94.5 percent as 30 September 2020, 94.8 percent as of 31 December 2019, 96.2 percent as of 31 December 2018 and 96.8 percent as of 31 December 2017. There can be no assurances that the SBB Group will be able to maintain its Economic Occupancy Rate at similar levels in the future. If the SBB Group's Economic Occupancy Rate were to decrease, the SBB Group's total revenue would decrease while its maintenance and financing costs would likely remain relatively constant. Additionally, tenant turnover may result in additional costs for the SBB Group owing to, for example, the expenses associated with arranging and signing new lease agreements and the cost of minor renovations and maintenance typically made following a tenant's departure from a property,

The SBB Group aims to maintain and increase its rental income, secure a high Economic Occupancy Rate and reduce tenant turnover and related costs by (i) enhancing the desirability of its housing through planned maintenance and renovations, (ii) actively developing its property portfolio to meet the demands of existing and prospective tenants, and (iii) maintaining tenant satisfaction. However, there can be no assurances that any measures that the SBB Group takes will achieve the intended goals and provide a service level that meets the needs of existing and prospective tenants.

If the SBB Group, despite the aforementioned measures, fails to maintain and, where possible increase its rental income as it anticipates or fails to maintain a high Economic Occupancy Rate, this could have a material adverse impact on the SBB Group's results of operations.

1.2.2 *The SBB Group's rental income may be adversely affected if the SBB Group's largest tenants do not renew or extend their leases*

Decreased occupancy and rental rates can negatively affect a property company's earnings and this risk is heightened when a property company has a high concentration of large tenants, including tenants that hold multiple leases across

a number of properties. As of 30 September 2020, the SBB Group's top 10 community service properties tenants by Passing Rent accounted for 50.7 percent of the SBB Group's Passing Rent in this segment. If the SBB Group's largest tenants do not renew or extend a significant number of these leases when they expire, in the long-term this could lead to reduced rental income and increased vacancies. If these tenants experience financial difficulties or are otherwise unable to fulfil their obligations under any lease, this could have significant consequences for the SBB Group, resulting in the SBB Group's rental income being significantly lower than estimated. Vacancies prevent property owners from benefiting from their properties' full earning capacities. Occupancy rates may decrease if tenants move out and the premises cannot be rented out again immediately, or within a reasonable period of time. Additionally, this could lead to the SBB Group having to expend money and resources in order to find replacement tenants, thereby incurring unexpected legal or marketing costs and if the SBB Group is unable to replace outgoing tenants this may result in a decreased Economic Occupancy Rate and additional turnover costs. If the SBB Group fails to retain its largest tenants, or if its largest tenants are unable to fulfil their obligations, it can lead to a loss of rental income and cause the SBB Group to incur additional expenses and/or interest costs until the property is re-let.

1.2.3 The SBB Group's rental income could be adversely affected by tenants' failure to fulfil their obligations

Rental income constitutes the SBB Group's main source of current earnings. This income needs to cover operation and maintenance costs, administration costs, financing expenses and dividend targets. The SBB Group is exposed to the risk that tenants will not pay their rent in a timely fashion. If tenants do not pay their rent on time or at all, or otherwise fail to fulfil their obligations under their lease, this could lead to reduced rental income. A decline in rental income as a result of tenants' failure to pay their rent could result in lower cash flows and earnings for the SBB Group's operating activities, which could adversely impact the SBB Group's results of operation.

The SBB Group's rental income for its community service properties, is predominantly paid, directly or indirectly, by state, municipalities and county councils and is therefore affected by the capacity to pay of such social institutions in Sweden, Norway, Finland and Denmark. Lease lengths are typically between 5-15 years and base rent is commonly adjusted annually through indexation. The SBB Group's rent-regulated residential contracts operate without a fixed maturity. Rent is negotiated between the landlord and the Swedish Union of Tenants on an annual basis and is affected by the standard of the properties. Rental income for both the SBB Group's community service properties and the SBB Group's rent-controlled residential properties is also impacted in the long-term by supply and demand in the markets in which the SBB Group operates. A common cause of lower rental income is a lower occupancy rate.

1.2.4 The SBB Group may be adversely affected by increased maintenance and repair costs and damage and defects at properties and these factors could lead to increased costs and reputational damage for the SBB Group

All of the SBB Group's properties will require some level of repair and maintenance in the future following expiration of current lease agreements or otherwise. Such regular property maintenance is necessary in order to maintain the fair value of and rent levels of the properties in the SBB Group's portfolio. However, the amount of required maintenance and repair work may increase, for example, as a result of changes to energy efficiency or other requirements set to residential properties or as a result of damage caused by tenants or other parties. In addition, the associated maintenance costs may increase as a result of inflation, which is beyond the SBB Group's control and the SBB Group's repair cost and modernization investments may increase more than the SBB Group currently anticipates as a result of its growth strategy and the related party acquisitions and real estate development projects. Furthermore, if some maintenance needs are not recognized in time and as a result the level of maintenance is left insufficient, this may lead to decreases in the value of such properties, and the SBB Group may also need to set lower rent levels in these properties.

Operating in the real estate industry also entails the possibility of technical risks. Technical risks refer to the risks associated with the technical operation of properties, such as the risk of design errors, other hidden defects or deficiencies, damage (caused, for example, by fire or another force of nature, or by tenants) and contaminants. If technical problems arise, they can lead to a significant increase in costs for the SBB Group. In addition, a property company's reputation is particularly important in relation to new and current tenants. If the SBB Group fails to adequately respond to technical or maintenance problems, the SBB Group's reputation may be damaged, which in turn can lead to difficulties in retaining current tenants or attracting new tenants. If the SBB Group's reputation is damaged or it has increased costs due to technical damage, this can lead to a loss of income and/or lost growth opportunities.

1.2.5 The SBB Group may not be able to successfully execute some or all of its strategic initiatives and/or the benefits of these initiatives may not be achieved at the time or to the extent expected, or at all

Successful execution of the SBB Group's strategic initiatives is not assured, and the SBB Group may fail to achieve management's guidance, targets or expectations in respect to its financial and operational targets or may not realise all or part of the benefits that it expects from its current plans or other future initiatives. No assurance can be given that

the implementation of the SBB Group's strategy and/or the achievement of its financial targets or investment objectives will be successful under current or future market conditions. The SBB Group's approach may be modified and altered from time to time. It is therefore possible that the approach adopted to implement its strategy and achieve its financial targets and investment objectives in the future may be different from that presently expected to be used and disclosed in this Offer Document. In addition, the SBB Group's ability to carry out acquisitions pursuant to its growth strategy, will depend on a number of factors, including its relationships with municipalities and its ability to identify acceptable targets for acquisition and obtain necessary financing. SBB is often approached by a seller as the first potential buyer before the seller begins a more broadly marketed sale process. These off-market transactions provide the SBB Group with a competitive advantage to acquire diverse portfolios of social infrastructure properties. If the SBB Group's relationships with municipalities change such that it is no longer able to take advantage of off-market transactions, it may be unable to successfully execute its strategic objectives relating to real estate transactions. If the SBB Group is unable to achieve its targets, this could have a material adverse impact on the SBB Group's business and results of operations.

1.2.6 The SBB Group may be exposed to risks associated with its property development activities such as the timely receipt of necessary zoning changes and construction permits

The SBB Group's property development activities involve the identification of opportunities to develop community service properties or rent-regulated residential projects in the Nordic region and the development of such projects up to the commencement of construction. The SBB Group assesses the current status of the chosen site, its long-term prospects and conducts its due diligence. The main critical factors investigated are the property's technical condition, its net operating income and any potential legal risks. Historically, the SBB Group has aimed to sell its development projects at the pre-construction phase upon zoning being granted or to enter into a joint venture with the developer to eliminate (or reduce in the case of joint ventures) the SBB Group's exposure to construction risks. However, during the third quarter of 2020, SBB started, and communicated, a large number of projects for its own long-term management and the SBB Group is of late, in general, more open to keeping the development projects.

Two of the principal risks associated with the SBB Group's property development activities relate to its ability to obtain necessary changes to zoning and to its ability to obtain all necessary construction permits to develop the relevant site in a timely manner. Although SBB is always involved in the zoning plan process, the municipalities involved have the final say on the implementation of these plans and additionally there may be some relatively minor but unforeseen financial costs associated with completing the necessary zoning plans and obtaining the required planning permits. The SBB Group acquires properties for its property development business based on its expectations regarding the possibility of rezoning. The SBB Group's development activities also entail identifying suitable geographical areas for development projects and information from third parties may be disclosed to the SBB Group concerning zoning plan processes and future land utilisation, which the SBB Group then uses as the basis for its investment and project decisions. Such information may turn out to be incorrect and municipalities or decision-makers may deviate from such information, which can ultimately result in the SBB Group carrying out projects at less than favourable geographical sites.

The SBB Group may be required to apply to municipalities or other government agencies for various permits and registrations in order to be able to carry on its property development business and the SBB Group acquires properties for its property development business based on its expectations regarding its receipt of all necessary permits. Good relations with municipalities are therefore important and these relations are subject to change over time thereby potentially affecting the SBB Group's ability to obtain changes in zoning according to its development plans. There is a risk that the SBB Group will not be granted a vital permit, permits may not be issued promptly or are issued subject to unforeseen conditions. As a result, the SBB Group's property development activities may experience substantial delays, and this could negatively impact the SBB Group's business, financial position, results of operations and prospects.

If the SBB Group is unable to have the relevant property rezoned or if necessary permits cannot be obtained in a timely manner and without complications, there is a risk that the value of the relevant projects may be less than the SBB Group expected which could adversely affect the SBB Group's financial position.

1.2.7 The SBB Group is subject to counterparty risk with respect to its outsourcing arrangements with external service providers

The SBB Group's existing operational model includes the use of external service providers for certain finance and accounting functions, human resources services and certain marketing, property management and property development activities. These external service providers are used for, among other things, property management services such as billing and collection of rent, and property maintenance, the provision of certain information technology ("IT") services and marketing services, see Section 14.5 "Information technology". While these outsourcing relationships are closely monitored, there is a risk that the SBB Group's external service providers may fail to perform their required duties adequately and therefore the SBB Group may experience delayed or reduced rental income, interruptions or malfunctions

in its IT systems, or other negative outcomes that may negatively impact the SBB Group's operating performance or reputation. Additionally, the SBB Group enters into contractual agreements with these external service providers and is exposed to the risk that these contracts may need to be revised in the future. If any of the SBB Group's external service providers are unable or unwilling to fulfil their obligations towards the SBB Group, this could have a material adverse impact on the SBB Group's business.

1.2.8 *The SBB Group's business may be adversely affected if the acquisition and integration of properties and property companies is not successful*

The SBB Group's strategy includes organic growth through direct property acquisitions as well as growth through acquisitions of companies that own properties. Acquisitions expose the SBB Group to a number of risks. For example, when deciding to make an acquisition, the SBB Group makes certain assumptions and determinations based on its due diligence of the properties to be acquired, as well as other information then available, including assumptions regarding future rental income and operating costs. However, these assumptions and determinations involve risks and uncertainties that may cause them to be incorrect, and therefore the SBB Group may not realise the full benefits it expects from an acquisition. Other risks involved in the acquisition of property include risks linked to future losses of tenants, environmental conditions and technical shortcomings. The acquisition of property companies is also associated with the risk of, for example, higher taxes and the risk of legal disputes as well as higher leverage and higher interest costs. Anticipated economies of scale and cost savings may not be realized in whole or in part or may occur later than anticipated. This may result in higher administrative costs than planned. There can also be no assurances that the systems, operations or controls required to support the expansion of the SBB Group's business are sufficient and they may require continued development.

In addition, acquisitions of property companies can expose the SBB Group to additional risks. These risks are mainly related to the integration of the acquisitions, such as the inability to retain key individuals, merging costs, organisational costs, unexpected costs and difficulties in achieving the anticipated synergies from the acquisitions and the successful implementation of the SBB Group's strategy in the aftermath of the acquisition. As the SBB Group is engaged in acquisitions on an ongoing basis, these risks may be recurrent and accordingly, acquisitions can entail significantly higher costs than originally estimated. The SBB Group is continually exploring opportunities to acquire properties and property companies, and therefore the SBB Group is exposed to the risk of unexpectedly increased transaction costs or cancelled acquisitions. In addition to the risks associated with the acquired properties themselves, certain acquisitions may be overly complex or difficult to integrate, thus diverting attention and resources from being deployed elsewhere. Additionally, if any of the foregoing risks relating to future acquisitions materialize, the SBB Group's results of operations could be materially adversely impacted.

1.2.9 *The SBB Group's success, future operations and business plan depend upon its ability to attract, motivate and retain key personnel*

Being able to attract, motivate and retain qualified personnel in general and qualified officers of the SBB Group in particular is important for the SBB Group's success, future operations and business plan. The SBB Group is particularly dependent on the knowledge, experience and commitment of the officers of the SBB Group, including Ilija Batljan, the SBB Group's Chief Executive Officer, Chairman of the Management Team, Board member and SBB's largest shareholder. In order to attract, motivate and retain certain key personnel, the SBB Group may be required to increase compensation to such individuals, resulting in additional expenses. If the SBB Group is not able to attract and retain qualified personnel in the future, this could have a material adverse impact on the SBB Group's prospects.

1.3 Risks related to laws and regulation

1.3.1 *The SBB Group may fail to comply with applicable regulations and risks being involved in legal and administrative proceedings*

The SBB Group operates across various geographical markets and its business must comply with the requirements set out in a number of codes, acts and regulations in the jurisdictions in which it operates including zoning regulations, building standards and safety regulations, among others. For example, in Sweden, the SBB Group's business is regulated by, amongst others, the Swedish Environmental Code (Sw. *Miljöbalken* (1998:808)) and the Swedish Planning and Building Act (Sw. *plan-och bygglagen* (2010:900)) Failure to comply with the Swedish Environmental Code could result in environmental sanction charges, that amount to at least SEK 1 thousand and at most SEK 1 million, while a violation of the Swedish Planning and Building Act could prohibit the continuation of building work on the SBB Group's properties, the imposition of fees or the removal of any additions made in the course of a renovation done without the required permit. New acts and regulations, or a change in the application of existing legislation that the SBB Group must take into account in its operations, or changes that affect the operations of the SBB Group's tenants, may negatively impact the SBB Group's business, financial position, results of operations and prospects. In addition, there is a risk that the SBB Group's interpretation of existing codes, acts and regulations is incorrect, or the accepted interpretation of these codes

could change in the future which could cause the SBB Group to incur increased costs or face the risk of material fines or penalties.

The SBB Group also risks becoming involved in legal or administrative proceedings, which could result in significant claims for damages or other demands for payment, including claims for damages from customers or competitors for breaches of competition law. It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceedings or claims and if the outcome of any future legal or administrative proceeding turns out to be negative for the SBB Group, this could have a material adverse impact on the SBB Group's financial position and results of operations.

1.3.2 The SBB Group's operations are exposed to environmental risks and must comply with various health and safety and environmental regulations and these may adversely affect the SBB Group's operations and future earnings

The SBB Group's operations in property management and property development carry environmental risks and the SBB Group is subject to environmental regulations that may impose liability if the SBB Group fails to comply. Although the SBB Group conducts inspections during the acquisition of individual properties, there is a risk that environmental regulations were not complied with. Under current environmental legislation in the jurisdictions in which the SBB Group operates, an operator that has contributed to the contamination of a property is also liable for its remediation. If the operator cannot carry out or pay for remediation of the property, the party who acquired the property and who, at the time of acquisition, knew about or ought to have known about the contamination, is liable for the remediation. This means that under certain circumstances, the SBB Group may be ordered to restore the property to a state that is compliant with environmental legislation. This may involve soil decontamination or remediation in respect of the presence of, or suspicion of the presence of, contaminants in the soil, catchment areas or groundwater. The cost to the SBB Group of investigation, removal, or remediation required to comply with environmental regulations may be substantial and therefore such orders may negatively impact the SBB Group's earnings, cash flow and financial position. Furthermore, any future changes to the laws, regulations and requirements from authorities in the environmental sector could result in increased costs for the SBB Group with respect to sanitation or remediation regarding currently held or future acquired properties. Such changes could also result in increased costs or delays for the SBB Group in carrying out any of its development projects.

The SBB Group is and may also be subject to further regulation in areas such as occupational health and safety, the handling of asbestos and asbestos removal, as well as acts and regulations limiting emissions of greenhouse gases such as through energy and electricity consumption. Non-compliance with such acts and regulations in any of the jurisdictions in which the SBB Group operates may result in the government issuing orders for enforcement measures, imposing fees or fines, and in some cases even imposing restrictions on the operations of the SBB Group, which can be serious.

Furthermore, contaminants may also be detected on properties and in buildings, in particular during renovation processes or when buildings are upgraded for environmental certification. The discovery of any contaminants or residual pollution in connection with the lease or sale of properties could trigger claims for rent reductions, damages or lease terminations. Measures to remove such contaminants or remediate any pollution can be required as part of the SBB Group's ongoing operations and may, depending on the extent of the contamination, involve considerable costs and have a material adverse impact on the SBB Group's results of operations.

1.3.3 The SBB Group's tax situation may worsen if changes are made in taxation legislation

The SBB Group operates through a number of subsidiaries in Sweden, Norway and Finland and Denmark. For the 2019 fiscal year the SBB Group's taxation costs amounted to SEK 513 million. The handling of tax issues within the SBB Group is based on interpretations of current taxation legislation, tax treaties and other taxation regulations in the countries concerned, and the determinations of the affected tax agencies. Furthermore, the SBB Group regularly obtains advice from independent tax experts on these matters. From time to time, the SBB Group and its subsidiaries are subject to tax audits and reviews. There is a risk that tax audits or reviews will result in additional tax is charged, for example in relation to previously finalized acquisitions, mergers, demergers and restructuring of companies, share transactions with employees, deductions for cost of interest and deductions for costs of improvements on properties not owned by SBB.

On 30 March 2017, the Swedish government introduced a bill (SOU 2017:27) which, if passed, is likely to affect the future taxation of property investments. The bill, which was submitted for consultation in the summer of 2017 and is now being dealt with by the Swedish Government, refers to changes in current income tax as well as stamp duty and capital gains tax. Under the bill, deferred tax liability attributable to the difference between the residual value for tax purposes and the market value of the property will be taxed in the case of some changes in ownership of a company that owns property, and that indirect sales of properties will be subject to stamp duty. If the bill is adopted in its current form, it could result in tax being payable on all of SBB's future divestments of property-owning companies.

If the SBB Group's interpretations of taxation legislation, tax treaties and other taxation regulations or their applicability are incorrect, if one or more government agencies are successful in making adverse adjustments to the tax payable for a business unit within the SBB Group, or if the current legislation, treaties, rules or interpretations thereof change, or administrative practices in respect thereof change, including those with retrospective application, the SBB Group's previous and current management of tax issues may be challenged. If the tax agencies are successful in their claims, this could lead to an increased tax expense (including a tax surcharge and interest) which could have a material negative impact on the SBB Group's results.

1.3.4 *SBB may be or become a passive foreign investment company, which could result in materially adverse United States tax consequences to United States investors.*

Based on its income, assets and business activities, the current and anticipated valuation of its assets and the composition of its income and assets, SBB does not believe it was a passive foreign investment company (a "**PFIC**") for its most recent taxable year, and it does not expect to be a PFIC for the current taxable year or in the foreseeable future. However, since the PFIC status of a non-U.S. corporation depends upon the composition of its income and assets as measured from time to time, there can be no assurance that SBB will not be classified as a PFIC for any particular taxable year. If SBB is classified as a PFIC, this may result in materially adverse consequences for U.S. taxpayers that invest in its shares.

1.3.5 *The SBB Group's failure to comply with the European Union's General Data Protection Regulation may adversely affect the SBB Group's business activities and financial position*

The SBB Group processes a variety of personal data, primarily including the data of its current tenants and employees both in electronic and physical form. The SBB Group also processes the data of relatives of its employees, applicants for apartments or employment, and investors. This personal data is mainly processed for the purpose of entering into and executing lease agreements or in order to execute employment agreements. The European Union's ("**EU**") general data protection regulation 2016/679/EU ("**GDPR**"), entered into force on 24 May 2016 and has been applied since 25 May 2018. The main objectives of the GDPR are to harmonize EU laws on personal data and facilitate the flows of data across EU as well as to ensure that personal data enjoys a high standard of protection everywhere in the EU. The GDPR includes new requirements for the handling of personal data. If the SBB Group's systems that house this personal data are hacked, the SBB Group has shortcomings in its processing of personal data or fails to comply with the GDPR, the SBB Group could be subject to substantial monetary fines which could have a material adverse impact on the SBB Group's business and financial position. The Swedish Data Inspection Authority can impose an administrative sanction fine on a company that violates GDPR rules. The fine can amount to at most EUR 20 million or four percent of SBB's total global turnover of the preceding fiscal year, depending on which is higher. For less severe violations the fine can at most be EUR 10 million or two percent of SBB's total global turnover for the preceding fiscal year.

1.4 Risks related to financing

1.4.1 *The SBB Group finances itself by incurring debt which exposes it to certain risks*

Although the SBB Group maintains an investment grade rating, it has a significant amount of debt. As of 30 September 2020, the SBB Group's interest-bearing liabilities amounted to SEK 47,984 million. The debt maturity structure for the interest-bearing liabilities amounted to a nominal amount of SEK 44,506 million, exclusive commercial paper, of which SEK 2,523 million (equivalent to 6 percent) must be renewed or refunded within the coming year, SEK 4,081 million (equivalent to 9 percent) must be renewed or refunded within one to two years and SEK 18,921 million (equivalent to 42 percent) must be renewed or refunded within three to five years. There is a risk that the SBB Group will be unable to secure financing at favourable rates or at all, as in the future loans may need to be obtained at significantly higher costs than at present, lenders may choose not to extend the SBB Group's loans at maturity or there may not be alternative credit facilities at the SBB Group's disposal. Additionally, the SBB Group intends to raise debt by accessing the capital markets. Capital markets are affected by general market conditions and therefore the SBB Group is exposed to the potential effects of adverse market conditions such as interest rate fluctuations and inflation which may affect the SBB Group's ability to access capital markets.

The SBB Group's operations have historically been financed by bank borrowings or bonds and it is likely that the capital necessary to finance future acquisitions as well as capital expenditure on existing properties will be obtained from these sources. The SBB Group's ability to obtain financing in the future will depend upon its business, prospects and market conditions. In the event of adverse market conditions, the SBB Group's financial performance may suffer which may reduce the availability of financing to the SBB Group. In addition, certain of the SBB Group's indebtedness contains financial covenants, which particularly in the event of adverse market conditions could have negative consequences for the SBB Group, including the following:

- the SBB Group's financial and operating flexibility in planning for, or responding to, changes in its business and industry could be limited;
- the SBB Group's ability to fund capital expenditures on existing properties could be limited as the SBB Group may be required to dedicate a portion of its cash flow from operations to making payments on its debt;
- the SBB Group's ability to exploit business opportunities or make acquisitions or investments could be restricted;
- the SBB Group's ability to incur additional indebtedness or to secure any future indebtedness could be limited;
- the SBB Group's ability to pay dividends may be limited; and
- the SBB Group may be at a disadvantage compared to those of its competitors that have less debt.

The SBB Group is also exposed to credit risks relating to its financial operations. Such credit risks arise in connection with, among other things, investments of the SBB Group's liquid assets, entering into interest rate hedging agreements and entering into long-term and short-term credit agreements. If the SBB Group's financial counterparties, do not fulfil their obligations towards the SBB Group, their defaults could have a material adverse impact on the SBB Group's business, financial position, results of operations and prospects.

1.4.2 Fluctuations in interest rates may decrease the value of the SBB Group's properties and increase the cost financing and thereby adversely affect the SBB Group's business

Interest expense on the SBB Group's indebtedness is one of the SBB Group's main cost items. Although the SBB Group's policy is to incur fixed rate indebtedness or to enter into interest rate hedges to reduce its exposure to floating interest rates, in the long-term, adverse changes in interest rates could have a significant effect on the SBB Group's results and cash flows. The current low interest rate environment in Sweden and the rest of the European Union has had a significant impact on the residential property market leading to high values for residential properties. However, it is possible and likely that interest rates will increase in the future and this will be coupled with high Swedish household indebtedness. Any increase in interest rates may have a negative effect on the SBB Group's residential portfolio and may require the SBB Group to record fair value adjustment losses. Such losses would result in a corresponding decrease in the value of the SBB Group's properties as reported on its balance sheet and in the SBB Group's fair values and increases in the SBB Group's loan to value. Further, increases in interest rates generally may cause demand for residential properties to decrease and could have an adverse effect on the ability of potential buyers to finance purchase of properties. Inflation also affects the SBB Group's costs. Any changes in inflation and interest rates may also affect the gross asset value of the SBB Group's properties. Materialisation of any of the above risks could have a material adverse impact on the SBB Group's business, financial position, results of operations and prospects.

1.4.3 Any downgrade of the SBB Group's existing or future credit ratings could increase the SBB Group's borrowing costs and affect its ability to access the capital markets

In order to fund acquisitions of properties, the SBB Group will be dependent on its ability to access the capital markets and its cost of borrowing will be affected by its credit rating. The SBB Group has been assigned a long-term debt issuer rating of BBB- with positive outlook by Fitch Ratings Limited ("**Fitch**") and a rating of BBB- with a stable outlook by S&P Global Ratings Europe Limited ("**S&P**"). Third party rating agencies may also issue unsolicited ratings intended to measure the SBB Group's ability to repay its obligations and are based upon criteria established by such agencies. The SBB Group's credit rating is subject to periodic review and may be revised downward or revoked.

Rating agencies assign credit ratings based on several factors, most of which are company specific. However, some factors relate to general economic conditions and circumstances that are outside SBB's control. The SBB Group cannot predict what actions rating agencies may take, or what actions may be taken in response to the actions of rating agencies. Any downgrade or revocation of a credit rating assigned to the SBB Group could increase the SBB Group's borrowing cost and impact its financial flexibility and competitive position. Changes in methodology and criteria used by rating agencies could result in downgrades that do not reflect changes in general economic conditions or the financial condition of the SBB Group.

1.4.4 The SBB Group is exposed to foreign exchange risk as a result of operating in multiple geographical markets

The SBB Group operates in multiple geographical markets and is exposed to foreign exchange translation risk due to its investments in Norway, Finland and Denmark. The SBB Group's reporting currency is SEK, and all balance sheet items for foreign properties as well as all income and expenses generated by them are converted to SEK. The SBB Group's

most significant exchange rate risk relates currently to NOK denominated rental income, maintenance costs and property valuations as 22 percent of the SBB Group's property portfolio is currently located in Norway, making it the second largest market for the SBB Group's properties. Additionally, the SBB Group is exposed to euro related exchange fluctuations due to its euro-denominated bonds. The SBB Group monitors and assesses trends in foreign currency exchange rates on an ongoing basis and seeks to address its exposure to fluctuations in currency exchange rates naturally by seeking to match the exposure of its non-SEK denominated assets by incurring indebtedness in local currency when possible and, to a more limited extent, utilising currency hedges for individual transactions. For the nine month period that ended 30 September 2020, the SBB Group's translation gains amounted to SEK -103 million. There can be no assurances that the SBB Group's hedging strategy will adequately protect its results of operations from currency exchange fluctuations or that it will be able to adequately manage such risks in the future. Accordingly, adverse movement in foreign currencies, particularly NOK or EUR against SEK, could have a material adverse impact on the SBB Group's results of operations.

1.5 Risks related to the Shares

1.5.1 *SBB's share prices may be volatile or fall and liquidity in SBB's shares may be restricted*

A potential investor should note that an investment in SBB's shares is associated with risks. Publicly traded securities experience from time to time significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. The market price of SBB's shares may fluctuate significantly in response to a number of factors, many of which are beyond the SBB Group's control including:

- variations in financial or operating results in the SBB Group's reporting periods, including differences between expected and actual performance;
- changes in market valuation or operating or financial results of similar companies;
- announcements by the SBB Group of significant contracts, acquisitions, joint ventures or capital commitments or speculation, whether or not founded, regarding the same;
- adverse resolution of regulatory proceedings or inquiries, new or pending litigation or other proceedings against any member of the SBB Group;
- speculation, whether or not well-founded, regarding future issues or sales of shares;
- general economic, industry, market, political and regulatory conditions;
- strategic actions by competitors (including acquisitions and restructurings);
- speculation, whether or not founded, regarding the intentions of SBB's major shareholders (being those shareholders interested directly or indirectly in five percent or more of the shares or votes of SBB, as described in "Shares and Share Capital—Ownership Structure" ("**Major Shareholders**")) or significant sales of shares by any such shareholders or short-selling of the shares; and
- stock market price and volume fluctuations.

Thus, there are no guarantees with respect to future growth in SBB's share prices, and consequently the value of an investment can increase as well as decrease.

Restricted liquidity in SBB's shares can further augment fluctuations in its share prices. During the nine month period that ended 30 September 2020 SBB's Class B and D common shares and preference shares were traded at an average volume of SEK 187.7 million, SEK 19.4 million and SEK 0.1 million, respectively, per day of trading. Restricted liquidity in SBB's shares can also make it difficult for individual shareholders to dispose of their shares. There is a risk that shares in SBB cannot be sold at a price that is acceptable to the shareholder, or at all, at any given point in time.

1.5.2 *Selling of shares by existing shareholders can cause share prices to fall*

The price of SBB's shares can fall if large volumes of shares in SBB are sold, in particular when shares are sold by SBB's Board members, officers of the SBB Group, or Major Shareholders; or when a large number of shares are sold by other shareholders.

SBB's Major Shareholders together have a shareholding, directly or indirectly through companies, amounting to approximately 28.3² percent of the shares and 68.0³ percent of the votes. If the Offer is completed, based on (i) 100 percent acceptance level, (ii) the volume-weighted average share price of the SBB Class B Share during the last five trading days leading up to and including 22 December 2020 (the last trading day before the announcement of the Offer), and (iii) the full Share Consideration being delivered as Shares, SBB's Major Shareholders will together have a shareholding – directly or indirectly through companies – amounting to approximately 22.3 percent of the shares and 60.7 percent of the votes.

Ilija Batljan is SBB's largest shareholder with approximately 8.5⁴ percent of the shares and approximately 32.6⁵ percent of the votes. If the Offer is completed, based on (i) 100 percent acceptance level, (ii) the volume-weighted average share price of the SBB Class B Share during the last five trading days leading up to and including 22 December 2020 (the last trading day before the announcement of the Offer), and (iii) the full Share Consideration being delivered as Shares, Ilija Batljan's shareholdings will correspond to 6.7 percent of the shares and 29.1 percent of the votes.

1.5.3 SBB's largest shareholders have a controlling influence over SBB and may delay or prevent changes in control of SBB

Current Major Shareholders have a controlling influence over the outcome of matters submitted to SBB's shareholders for decision, including the selection of members of the Board and potential mergers; and consolidation or the sale of all, or almost all, of SBB's assets. The Major Shareholders are composed of board members, some of whom form part of SBB's executive management. Current Major Shareholders control approximately 68.0⁶ percent of SBB's voting rights and have a controlling influence over the officers of SBB and its business activities.

Their interests can deviate substantially from or compete with SBB's interests or the interests of other shareholders, and they may exercise their influence over the SBB Group in a way that is not in the interests of the other shareholders. For example, there may be a conflict between the current Major Shareholders' interests on the one hand and the SBB Group or SBB's other shareholders' interests on the other hand when it comes to decisions on how to distribute profits. Such conflicts of interests could have a substantial negative impact on the SBB Group's business activities, earnings and financial position.

As far as is known to the SBB Group, there are no agreements in existence between the Major Shareholders. Irrespective of this, the interests of the Major Shareholders can deviate substantially from or compete with the SBB Group's interests or the interests of SBB's other shareholders, and the Major Shareholders may exercise their influence over SBB in a way that is not in the interests of the other shareholders.

1.5.4 Some of the SBB Group's agreements may be affected by changes of control of the SBB Group

In some of the SBB Group's agreements, mainly in respect of issued bonds and the SBB Group's loan agreements with credit institutions, certain provisions may be triggered by a change of control of the SBB Group. Under the SBB Group's bonds, a change in ownership occurs in the event that one or several parties acting jointly become the holders, directly or indirectly, of more than 50 percent of the shares and votes in the SBB Group or have the right to appoint all or a majority of the Board members. Although no change of control is anticipated in connection with the Offer, if a change of control occurs in the future, some rights of the counterparty or obligations for the SBB Group, could be triggered by such changes of control and come into force, which may impact the SBB Group's future financing. If the SBB Group's financing is impacted, which could indirectly affect the SBB Group's ownership of properties, this could have a material adverse impact on the SBB Group's business, financial position, results of operations and prospects.

In addition, a tax loss carry-forward can be limited or lost as a consequence of future changes in Swedish taxation legislation or, under the present rules, as a result of a change in ownership which means that one or more of the shareholders according to a specific formula jointly hold shares acquired over a specific period of time and represent more than 50 percent of the votes. In the case of such a change in ownership, historic loss carry-forwards are lost to the extent that they exceed 200 percent of the cost of the acquisition of the controlling influence (where contributions and other value transfers may reduce the expense in some way). If the SBB Group's tax loss carry-forward is lost or reduced, it could have a significant impact on the SBB Group's tax burden, potentially entail a tax surcharge, and have a material negative impact on the SBB Group's results of operations.

² Based on 1,509,394,951 total shares outstanding.

³ Based on 339,919,237 votes from the 1,509,394,951 total shares outstanding.

⁴ Based on 1,509,394,951 total shares outstanding.

⁵ Based on 339,919,237 votes from the 1,509,394,951 total shares outstanding.

⁶ Based on 339,919,237 votes from the 1,509,394,951 total shares outstanding.

1.5.5 SBB's ability to pay dividends to its shareholders depends on the SBB Group's financial position, capital costs and other factors, and SBB may be unable to pay dividends as a result of the restrictions being stipulated in the bond loans of the SBB Group

SBB may not be able to, or may choose not to, pay dividends in the future. The size of future dividends from SBB is dependent on a number of factors such as the SBB Group's future earnings, financial position and cash flows, working capital requirements, investments and other factors. There can be no assurance that SBB will pay dividends or, if it does choose to pay dividends, as to the amount of such dividends. Consequently, holders of the shares may not receive any return on their investment unless they sell their shares for a price greater than that which they paid for them, which may not be possible. SBB may not either have sufficient distributable earnings and SBB's shareholders may decide not to pay dividends in the future.

As of 30 September 2020, the bond loans of the SBB Group amounted to approximately SEK 32,461 million. Some of the bond loans are subject to conditions which restricts the ability of the SBB group to pay dividends if a certain level of debt-to-equity ratio is not maintained (after the payment of the dividends). Thus, there is no guarantee that SBB will pay dividends and, should it choose to pay dividends, no guarantee regarding the amount of such dividends.

1.5.6 Exchange rate differences could have a negative impact on the value of shareholdings or of dividends paid

SBB's shares are listed in SEK and any potential dividends on the shares will be paid in SEK. Accordingly, the market price of the shares in currencies other than SEK may fluctuate due to changes in exchange rate and exchanging SEK into another currency may incur investors' additional transaction costs. The recent weak development of the SEK has thus had a negative effect on the value of shareholdings denominated in other currencies. This means that shareholders outside Sweden may experience a negative impact on the value of their shareholdings and dividends when these are converted to other currencies if the value of SEK falls relative to the currency in question. As of 30 September 2020, SBB had shareholders in several jurisdictions other than Sweden, amongst others, in the Nordics, other parts of Europe as well as USA and Canada.

1.5.7 The ability of overseas shareholders to bring actions or enforce judgements against the SBB Group or the Directors may be limited

The ability of an overseas shareholder to bring an action against the SBB Group may be limited by the law. SBB is a public limited liability company incorporated in Sweden. The rights of holders of the shares are governed by Swedish Law and by SBB's Articles of Association. These rights differ from the rights of shareholders in typical U.S. corporations and some other non-Swedish corporations.

An overseas shareholder may not be able to enforce a judgement against some or all of the Directors. All but one of the Directors are residents of Sweden. Consequently, it may not be possible for an overseas shareholder to effect service of process upon the Directors and within the overseas shareholder's country of residence or to enforce against the Directors any judgements of courts of the overseas shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an overseas shareholder will be able to enforce any judgements in civil and commercial matters or any judgements under the securities laws of countries other than Sweden against the Directors who are residents of Sweden or countries other than those in which a judgement is made. In addition, Swedish or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the SBB Group or the Directors in a court of competent jurisdiction in Sweden or other countries.

1.5.8 Shareholders in the United States or other countries outside Sweden may be unable to participate in any future cash issues

If SBB issues new shares in a cash issue, as a general rule existing shareholder have a preferential right to subscribe for new shares in proportion to the number of shares they held prior to the cash issue. However, shareholders in some countries may be subject to restrictions which prevent them from participating in such share issues or in some other way impede or restrict their participation. For example, shareholders in the United States may be unable to subscribe for new shares unless the shares and warrants are registered under the "**U.S. Securities Act**", or if no exemption from the registration requirements of the U.S. Securities Act is applicable. Shareholders in other jurisdictions outside Sweden can be affected in a similar way if the warrants and the new shares offered have not been registered with or approved by the competent authorities in those jurisdictions. As of 30 September 2020, SBB had shareholders in Canada, Hong Kong and the US, all of whom may be subject to such restrictions. SBB is under no obligation to submit a registration document under the U.S. Securities Act or seek similar approvals under the law applicable in any other jurisdiction outside Sweden for warrants and shares, and to do so in the future could be impractical and expensive. To the extent that SBB's shareholders in jurisdictions outside Sweden cannot exercise their preferential rights to subscribe for new shares in the future, their shareholdings in SBB could be diluted or reduced.

1.6 Risks related to the Offer

1.6.1 *Conditions for the completion of the Offer may not be obtained within, for SBB, acceptable time or on, for SBB, acceptable terms*

SBB has set certain conditions for the completion of the Offer, amongst others that the Offer is accepted to such an extent that SBB will become the owner of 90 percent of the total amount of shares in Entra. Due to such conditions being out of SBB's control, there is a risk that the Offer might not be completed. The uncertainty related to the completion of the Offer could result in an adverse impact on SBB's shares price.

1.6.2 *After the completion of the Offer, Entra will be a part of the operations of the SBB Group. The Combined Company may not be able to realise some or any of the estimated benefits and synergies*

If the Offer is completed, Entra's business will become a part of the SBB Group's business. There is a risk that the merger of the SBB Group and Entra is made more difficult or impossible due to factors currently unknown to SBB. The expected effects of the transaction are described in Section 3.4.2 "Reasons for the Offer and plans for the future business". Amongst others the cost and growth synergies that the transaction may entail are described. Whether these synergies will realise depend on a number of factors and is based on SBB's assessment of the future circumstances. However, there is a risk that the synergies might not be fully realised, or at all.

If the integration process continues during a longer period of time there is a risk that the Combined Company is adversely affected. There is a risk that the synergies and other positive effects that SBB expects do not realise fully, or at all, which could adversely impact the Combined Company's business.

1.6.3 *The Share Consideration will be delivered through a custodian arrangement in Sweden, which means that Entra Shareholders receiving Consideration Shares will be considered as beneficial owners and treated as nominee-registered shareholders under Swedish law, which involves additional risks*

In connection with the settlement of the Offer, the Consideration Shares will be delivered to Entra Shareholders through a custodian arrangement, where the shareholders will have status as beneficial owners of such shares. The Custodian and Registrar Bank (as defined herein) will hold the shares in Euroclear Sweden on behalf of all Entra Shareholders until the Entra Shareholders converts their respective shareholding from the VPS to the Swedish central securities depository Euroclear Sweden AB ("**Euroclear Sweden**"). See Section 3.3.11.3 "Settlement of the Share Consideration" for more information about this registration form. Entra Shareholders receiving the Consideration Shares through the custodian arrangement in Sweden will, after completion of the Offer, be treated as SBB's nominee-registered shareholders for Swedish law purposes. See Section 3.3.11.3 "Settlement of the Share Consideration" under the sub-heading "The Beneficial Owners' shareholder rights for the SBB Class B Shares owned through the Custodian and Registrar Bank".

SBB will submit an application for a secondary listing of its SBB Class B Shares on the Oslo Stock Exchange, but there is no guarantee that such listing application will be approved by the Oslo Stock Exchange in all respects or at all, or, if approved, when such Secondary Listing will take place. Unless and until the SBB Class B Shares are secondary listed on the Oslo Stock Exchange, it is not possible for a shareholder to hold the Consideration Shares directly in the VPS, and any Entra Shareholder wanting to be a direct shareholder of the SBB Class B Shares will need to convert its shareholding by opening a book-entry account in Euroclear Sweden. Following such conversion, it will be able to exercise its shareholder rights directly towards SBB.

Unless and until the SBB Class B Share have been secondary listed on the Oslo Stock Exchange, Entra Shareholders wishing to sell their Consideration Shares will have to sell their shareholding in SBB on Nasdaq Stockholm. Disposal of the SBB Class B Shares by Entra Shareholders on Nasdaq Stockholm requires that they act through the Custodian and Registrar Bank, alternatively that they set up a custodian agreement with a financial institution in Sweden or open their own book-entry account in Euroclear Sweden, pursuant to which the Entra Shareholder will convert its shareholding in the VPS to Euroclear Sweden. This could incur significant bureaucratic burdens and unexpected costs for the Entra Shareholders, also including tax, and may imply that Entra Shareholders owning SBB Class B Shares through the custodian arrangement in the VPS will not be able to react as swiftly to developments concerning SBB's operations as other shareholders of SBB.

The Consideration Shares shall be paid to the Entra Shareholders immediately after the Listing Prospectus (as defined in 3.3.11.3 below) has been approved and published, or as soon as reasonably possible thereafter in accordance with the practices followed by Euroclear Sweden and the VPS. There can be no assurance that the Consideration Shares will be registered on the book-entry accounts of Entra Shareholders on the settlement date for the Offer due to the technical settlement actions to be taken by Euroclear Sweden, the VPS and the Custodian and Registrar Bank. Thus, there might be a gap of several days between the settlement date in the Offer and the registration of the Consideration Shares on

the book-entry accounts, during which period the possibility for Entra Shareholders to dispose of their Consideration Shares may be limited.

Unless and until the SBB Class B Shares have been secondary listed on the Oslo Stock Exchange, the existing SBB Class B Shares are, and the Consideration Shares will be, traded in SEK on Nasdaq Stockholm, but the shares held through the custodian arrangement will be denominated in NOK. Payment and distributions to such shares will also be made in NOK. Thus, shareholders holding their SBB Class B Shares through the custodian arrangement will bear the foreign exchange risk that may incur due to any fluctuations in the NOK/SEK exchange rate.

1.6.4 Additional risks related to the potential Secondary Listing

As a consequence of the potential Secondary Listing, in addition to the requirements applicable to issuers listed on Nasdaq Stockholm, SBB may need to comply with the requirements applicable to issuers listed on Oslo Stock Exchange. Compliance with such requirements may lead to an increase in administrative work and costs. There is no guarantee that a liquid trading market for the SBB Class B Shares will develop on the Oslo Stock Exchange. Furthermore, SBB has not committed to keeping a potential Secondary Listing in force indefinitely, and if completed, a Secondary Listing may be discontinued by SBB's decision.

2 RESPONSIBILITY FOR THE COMBINED OFFER DOCUMENT AND EXEMPTED DOCUMENT

This combined offer document and exempted document has been prepared by Samhällsbyggnadsbolaget i Norden AB in connection with the voluntary takeover offer of all shares in Entra ASA described herein and the Consideration Shares to be issued in connection with the takeover offer.

The Board of Directors accepts responsibility for the information contained in this combined offer document and exempted document. The members of the Board of Directors confirm that the information contained in this combined offer document and exempted document is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

20 January 2021

The board of directors of SBB

Lennart Schuss
Chair

Ilija Batljan
Board member

Sven-Olof Johansson
Board member

Fredrik Svensson
Board member

Hans Runesten
Board member

Eva Swartz Grimaldi
Board member

Anne-Grete Strøm-Erichsen
Board member

3 THE OFFER

3.1 Summary of the key terms of the Offer

The following is a brief summary of the main terms and conditions of the Offer. The complete terms and conditions of the Offer are set out in Section 3.3 "Terms and conditions for the Offer" below:

Summary of key terms of the Offer	Cross reference
<i>Offeror</i>	Samhällsbyggnadsbolaget i Norden AB, being a company incorporated under the laws of Sweden with business registration number 556981-7660.
<i>The target company</i>	Entra ASA, a public limited company incorporated and existing under the laws of Norway with registration number 999 296 432 and registered business address at Biskop Gunnerus' gate 14, 0185 Oslo, Norway.
<i>Offer Price</i>	NOK 190 per Entra Share tendered by shareholders in Entra (each an " Entra Shareholder "), which will be delivered as follows: <ul style="list-style-type: none"> NOK 123.50 in cash (the Cash Consideration); and a number of SBB Class B Shares that represents a value of NOK 66.50 (the Share Consideration and together with the Cash Consideration, the Base Consideration). <p>Accordingly, 65% of the Base Consideration will be delivered in cash, while 35% of the Base Consideration will be delivered as Share Consideration.</p> <p>The number of SBB Class B common shares that will be delivered under the Share Consideration will be calculated based on the volume-weighted average share price of the SBB Class B common share during the last three trading days before the Offer is declared unconditional by SBB, and based on the SEK/NOK exchange rate of Norges Bank on the last of these three trading days.</p> <p>SBB will pursue a secondary listing of the SBB Class B shares on the Oslo Stock Exchange in 2021, subject to certain conditions.</p>
<i>Offer Period</i>	From and including 21 January 2021 to and including 16:30 hours (CET) on 26 February 2021, subject to extensions at the sole discretion of SBB. The Offer Period will in no event be extended beyond 1 April 2021.
<i>Conditions for completion of the Offer</i>	Completion of the Offer is subject to certain conditions, including, but not limited to, 90% minimum acceptance of the Offer, and such conditions may be waived in whole or in part by SBB.
<i>Blocking of tendered Entra Shares</i>	By delivering a duly executed Acceptance Form, shareholders give the Receiving Agent an authorisation to block the Entra Shares to which the Acceptance Form relates, in favour of the Receiving Agent. The Receiving Agent is at the same time authorised to transfer the Entra Shares to SBB against payment of the Offer Price. In the

Cross reference

Section 3.2.2.1 "SBB (as the Offeror)".

Section 3.6
"Information about Entra" and 4 "About the Entra Group"

Section 3.3.1 "Offer Price".

Section 3.3.2 "Offer Period".

Section 3.3.3
"Conditions for completion of the Offer".

Section 3.3.4
"Procedures for accepting the Offer" and Section 3.3.5

	event the Offer is cancelled, the blocking will be terminated. It is not possible for the Entra Shareholder to dispose over the Entra Shares when they are blocked. The Entra Shareholder is free to dispose over any other securities registered in the same VPS account as the blocked Entra Shares.	"Blocking of tendered Entra Shares".
<i>Settlement.....</i>	Settlement of the Cash Consideration is expected to commence as soon as SBB has announced that the conditions for the Offer have been fulfilled or that SBB has decided to complete the Offer by waiving any unfulfilled conditions. Settlement of the Cash Consideration is expected to take place on or around 9 March 2021 under the current timetable. Settlement of the Share Consideration is expected to commence immediately after the Listing Prospectus (as defined in section 3.3.11.3 below) has been approved by Finansinspektionen (the Sweden's financial supervisory authority) and published by the Company. Settlement of the Share Consideration is expected to take place on or around 15 March 2021 under the current timetable.	Section 3.3.11 "Settlement".
<i>Acceptance binding.....</i>	<p>The acceptance of the Offer is irrevocable and may not be withdrawn, in whole or in part, once the Receiving Agent has received the Acceptance Form.</p> <p>Shareholders that accept the Offer will remain the legal owners of their Entra Shares and retain voting rights and other Entra Shareholder rights related thereto until settlement has taken place.</p>	Section 3.3.4 "Procedures for accepting the Offer".
<i>Amendments to the Offer</i>	Subject to approval by the Oslo Stock Exchange, SBB reserves the right to amend the Offer, including the Offer Price, in its sole discretion at any time during the Offer Period, provided however that SBB may not amend the Offer in a manner which disadvantages the shareholders. Any acceptance received is binding even if the Offer Period is extended and/or the Offer is otherwise amended in accordance with the terms of the Offer. Entra Shareholders who have already accepted the Offer in its original form or with previous amendments will be entitled to any benefits arising from such amendments.	Section 3.4.5 "Statement from the board of directors of Entra" and Section 3.3.7 "Amendments to the Offer".
<i>Governing law and jurisdiction.</i>	The Offer, this Offer Document and all acceptances of the Offer shall be governed by Norwegian law with the Oslo District Court as exclusive legal venue.	Section 3.3.18 "Jurisdiction and choice of law".

3.2 Background for the Offer

3.2.1 Introduction to the Offer

SBB is offering to acquire, on the terms, and subject to the conditions and limitations, set out in this Offer Document, all issued and outstanding shares in Entra as at the date of this Offer Document, other than the Entra Shares held by SBB. Any new shares issued by Entra during the Offer Period are not covered by the Offer, cf. Section 3.3.3 "Conditions for completion of the Offer" and the condition "Ordinary conduct of business".

As at the date of this Offer Document, SBB holds 3,183,957 shares in Entra. Neither SBB nor any of its related parties or close associates (as such are defined in Section 2-5 of the Norwegian Securities Trading Act) has any rights to Entra Shares, convertible loans (as set out in Section 11-1 of the Norwegian Public Limited Liability Companies Act of 13 June 1997 no 45) or any other financial instruments or arrangements that gives SBB the right to acquire shares in Entra. To

SBB's knowledge, there are no conflicts of interest between SBB, Entra or any of their respective shareholders in connection with the Offer. The total transaction expenses incurred by SBB in connection with the Offer are estimated to amount to SEK 246 million, with an addition of anticipated issue expenses of SEK 133 million and certain financing expenses (arrangement fees) of SEK 144 million. Thus, the total estimated costs of the Offer amounts to SEK 523 million. Please see Section 7 "Pro Forma Financial Statements" for more information.

The Offer is made to all Entra Shareholders and the Offer Document will be sent to all registered Entra Shareholders with known address appearing in the VPS on 25 January 2021 (pursuant to the T+2 settlement procedure in the VPS), except for Entra Shareholders in restricted jurisdictions. Entra Shareholders residing in jurisdictions outside of Norway should read the information provided in Section 3.3.13 "Restrictions" and Section 3.3.14 "Notice to U.S. Investors".

As consideration for the Entra Shares, SBB is offering to the Entra Shareholders a combination of (i) cash consideration and (ii) newly issued SBB Class B Shares, subject to the further terms and conditions set out in Section 3.3.1 "Offer Price".

The key dates in the Offer are set out in the table below.

Announcement of the intention to launch the Offer	23 December 2020
Commencement of the Offer Period	21 January 2021
Expiry of the Offer Period (unless extended)	26 February 2021 at 16:30 hours (CET)
Expected settlement of the Cash Consideration	On or about 9 March 2021
Expected settlement of the Share Consideration	On or about 15 March 2021

3.2.2 *SBB and background for the Offer*

3.2.2.1 SBB (as the Offeror)

The Offer is made by SBB, a public limited liability company duly registered in accordance with the corporate law of the European Union and incorporated under the laws of Sweden, with registration number 556981-7660 and having its registered office at Strandvägen 1, SE-114 51 Stockholm, Sweden. The LEI code for SBB is 549300HX9MRFY47AH564. SBB's Series B shares (i.e. the SBB Class B Shares) are traded on Nasdaq Stockholm, Large Cap. The stock ticker symbol is "SBB B" and the ISIN is SE0009554454. SBB's Series D shares are traded on Nasdaq Stockholm, Large Cap. The stock ticker symbol is "SBB D" and the ISIN code is SE0011844091. The Preference Share is traded on Nasdaq First North Premier Growth Market, Stockholm. The stock ticker symbol is "SBB PREF". The ISIN code is SE0009580715. Please see section 12.8 "Shares and share capital" for a complete overview of the equity structure in SBB and the rights attached to the shares in SBB.

SBB was established in March 2016, and is a leading Nordic social infrastructure company with a property portfolio across Sweden, Norway, Finland and Denmark with a property value of SEK 81.2 billion as of 30 September 2020. The property portfolio of SBB has a clear focus on low-risk assets with exposure to the Nordic welfare states with long leases, high occupancy rates, and a stable base of tenants, a majority of which are governmental backed. Due to such focus, SBB generates almost all of its revenue from management of its social infrastructure portfolio, which includes (i) community services properties, such as elderly care homes, schools and group housing for people with disabilities, in Sweden, Norway, Finland and Denmark and (ii) rent-regulated residential properties in Sweden. The SBB group also generates additional revenue from property renovations, property development activities and real estate transactions. SBB's business model is to acquire and manage properties and deploy capital to effectively generate sustainable and steady risk-adjusted returns. As of 30 September 2020, community services properties and rent-regulated residential properties accounted for 78% and 16% of the total portfolio by gross asset value, respectively.

Further, as of 30 September 2020, SBB's property portfolio comprised 1,455 properties in the Nordic countries, with an economic occupancy rate of 94.5% and a net initial yield of 4.5%. The weighted average unexpired lease term (WAULT) for the SBB group's community services properties as of 30 September 2020 was 9 years. SBB is rated BBB-(stable) by S&P and BBB-(positive) by Fitch.

See Section 6 "Business overview" for more information about SBB and its business.

3.2.2.2 Brief introduction to the reasons for the Offer

SBB has a demonstrated track-record of long-term value enhancement of its portfolio. Its strategy is focused on stable, low-risk assets with high-quality tenants, community service properties in the Nordics and Swedish rent-regulated

residential properties. One of the fundamental aspects of SBB's business is its strong relationships with Nordic municipalities and it takes its responsibilities to the community very seriously through its commitment to own and develop social infrastructure assets.

Responsible ownership and the goal of meeting general societal objectives are an integral part of SBB's core philosophy and SBB believes that in this regard SBB is the right partner for Entra and, most importantly, that the combined company will have an exciting future together by playing an important role for government financed tenants in the region and more broadly by being the community service provider of choice in the Nordics. For more information about the reasons for the Offer, please refer to Section 3.4.2 "Reasons for the Offer and plans for the future business".

3.2.2.3 Advisors

Arctic Securities AS is acting as receiving agent in connection with settlement of the Offer. Advokatfirmaet Thommessen AS is acting as Norwegian legal counsel to SBB, Advokatfirman Vinge KB is acting as Swedish legal counsel to SBB and Clifford Chance LLP is acting as legal counsel to SBB as to U.S. law. Advokatfirmaet Wiersholm AS is acting as Norwegian legal counsel to the Receiving Agent.

3.2.3 About Entra

Entra is a public limited company incorporated and existing under the laws of Norway with registration number 999 296 432 and registered business address at Biskop Gunnerus' gate 14, 0185 Oslo, Norway. The Entra Shares are listed on the Oslo Stock Exchange with ticker code "ENTRA".

As of the date of this Offer Document, Entra has a registered share capital of NOK 182,132,055, divided into 182,132,055 Entra Shares, each with a nominal value of NOK 1.00. The Entra Shares provide equal rights to vote and other privileges in Entra in accordance with the Norwegian Public Limited Companies Act. The Entra Shares are registered in the VPS with ISIN NO0010716418. For further information about Entra, see Section 4 "About the Entra Group".

3.3 Terms and conditions for the Offer

3.3.1 Offer Price

3.3.1.1 Introduction to the Base Consideration

The Offer Price is NOK 190 per Entra Share tendered by each Entra Shareholder in the Offer, which will be delivered as follows:

- NOK 123.50 in cash (the "**Cash Consideration**"); and
- a number of SBB Class B Shares that represents a value of NOK 66.50 (the "**Share Consideration**" and together with the Cash Consideration, the "**Base Consideration**").

Accordingly, 65% of the Base Consideration will be delivered in cash, while 35% of the Base Consideration will be delivered as Share Consideration.

The number of SBB Class B common shares that will be delivered under the Share Consideration will be calculated based on the volume-weighted average share price of the SBB Class B Share during the last three trading days before the Offer is declared unconditional by SBB, and based on the SEK/NOK exchange rate of Norges Bank on the last of these three trading days.

The board of directors of SBB has been authorised to issue the SBB Class B Shares to be delivered in the Offer. If this aggregate number of shares is not sufficient to settle the aggregate value under the Share Consideration the residual will be delivered as cash. SBB also reserves the right to settle the Share Consideration partially or wholly in cash at its sole discretion.

In the event that Entra should pay any dividend or make any other value transfer prior to settlement of the Offer, the Base Consideration will be adjusted correspondingly. Please see Section 3.3.11 "Settlement" for more information on the settlement of the Cash Consideration and Share Consideration.

3.3.1.2 The Mix & Match Facility

SBB offers to the Entra Shareholders a mix and match facility (the "**Mix & Match Facility**"), whereby each Entra Shareholder, subject to the restrictions set out below, may elect to receive as much Share Consideration or as much

Cash Consideration as possible for the Entra Shares tendered in the Offer. Thus, the Entra Shareholders are given the possibility to elect, either:

- (i) to receive as much Cash Consideration as possible for the tendered Entra Shares (in addition to the default Cash Consideration of NOK 123.50 per Entra Share), and thus as little Share Consideration as possible; or
- (ii) to receive as much Share Consideration as possible for the tendered Entra Shares (in addition to the default Share Consideration of the number of SBB Class B Shares representing a value of NOK 66.50 per Entra Share), and thus as little Cash Consideration as possible.

In aggregate, up to a total of NOK 22,100 million will be paid as Cash Consideration and the issuance of a number of SBB Class B Shares representing up to a total of NOK 11,900 million will be settled as Share Consideration (provided that SBB does not use its right to, in whole or in part, settle the Share Consideration in cash). The split between the amount paid in cash and the amount settled as SBB Class B shares is fixed at the ratio 65/35. In order for an Entra Shareholder to receive a higher proportion of a certain requested consideration alternative under the Mix & Match Facility, other Entra Shareholders must have elected the opposite consideration method on a corresponding basis. If no election is made under the Mix & Match Facility, the Entra Shareholder will receive the Base Consideration for the tendered Entra Shares (i.e. NOK 123.50 in cash and NOK 66.50 in new SBB Class B Shares).

If tenders made by Entra Shareholders under the Mix & Match Facility do not fully correspond (i.e. they do not completely match), such tenders will be scaled down on a pro rata basis in relation to the number of Entra Shares tendered by the respective Entra Shareholder.

As an example, if the demand by Entra Shareholders tendering their Entra Shares is as follows:

- shareholders representing 20% of tendered shares elects to receive the Base Consideration,
- shareholders representing 60% of tendered shares elects to receive as much Cash Consideration as possible, and
- shareholders representing 20% of tendered shares elects to receive as much Share Consideration as possible,

then:

- those who elected the Base Consideration will receive the Base Consideration (65% Cash Consideration and 35% Share Consideration)
- the Share Consideration option is undersubscribed, meaning that the Entra Shareholders that wanted to receive as much Share Consideration as possible will receive the consideration 100% in Consideration Shares (instead of 35%) and no Cash Consideration (instead of 65%), and
- the Cash Consideration option is oversubscribed, meaning that those Entra Shareholders that wanted to receive as much Cash Consideration as possible will receive the consideration 87% in Cash Consideration (instead of 65%) and 13% in Share Consideration (instead of 35%).

3.3.1.3 Merits of the Offer Price

SBB believes that the Offer Price provides Entra Shareholders with an attractive valuation of their shares across a number of aspects.

The Offer Price represents a premium of 45.4%⁷ compared to the volume-weighted average Entra share price during the three months to 23 November 2020, being the last day prior to SBB's announcement of its intention to launch its Initial Voluntary Offer, a premium of 15.0%⁸ to the all-time high closing share price for Entra in the period prior to SBB's Initial Voluntary Offer being announced on 24 November 2020 and a premium of 32.2%⁹ to the Entra closing share price on 23 November 2020. The terms of the Offer imply a total equity value for Entra of approximately NOK 34.6 billion¹⁰.

⁷ Undisturbed 3 month volume-weighted average share price for Entra of NOK 130.66 on 23 November 2020 (source: Bloomberg).

⁸ Based on daily closing prices, with all-time high in the period prior to 23 November 2020 of NOK 165.20 on 7 February 2020 (source: Bloomberg).

⁹ Undisturbed closing price of NOK 143.70 on 23 November 2020 (source: Bloomberg).

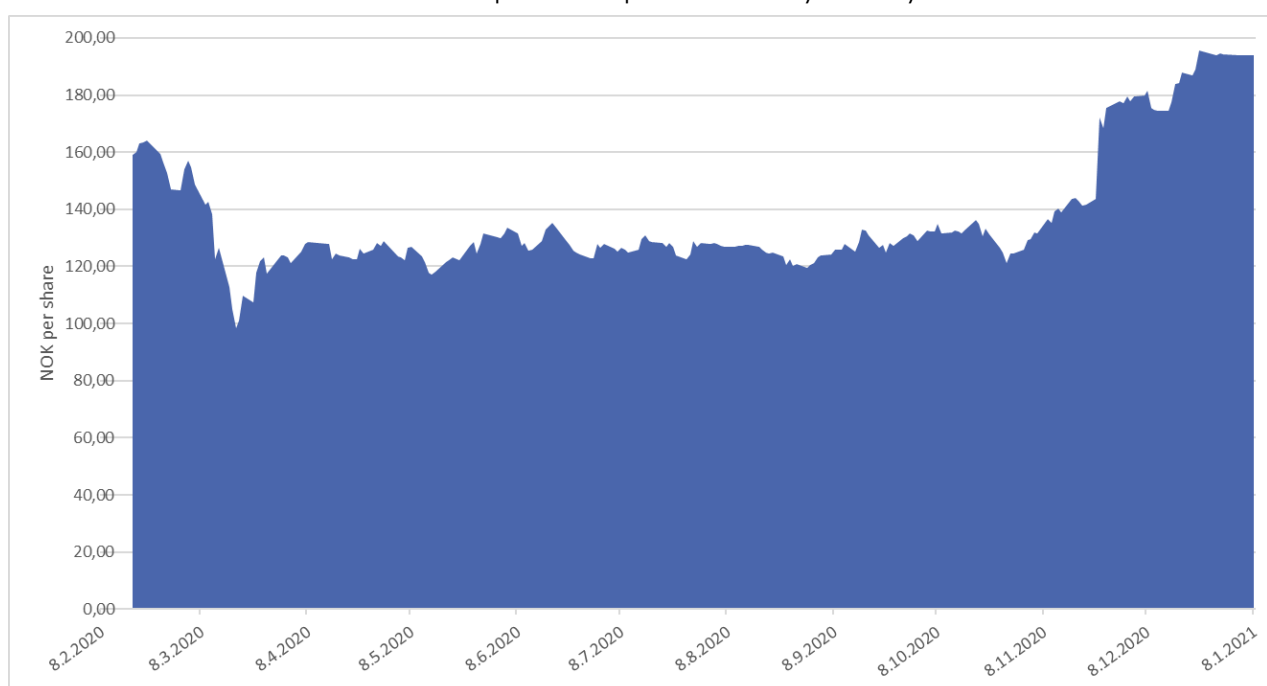
¹⁰ On the basis of 182,132,055 Entra shares outstanding.

In addition to delivering an attractive premium relative to various share price benchmarks, the Offer Price also represents a premium of 18.8% to the EPRA Net Asset Value of Entra as at 30 September 2020¹¹ and a premium of NOK 5 per Entra share relative to the EPRA Net Reinstatement Value ("NRV") of NOK 185 per Entra share implied by Entra's portfolio revaluation that was announced on 9 December 2020, which was 14.2% higher than the EPRA NRV as at 30 September 2020.¹²

Finally, the terms of the Offer not only deliver an attractive up-front valuation, but also provide Entra Shareholders with the opportunity to participate in the strategic and financial benefits of the combination through the "Share Consideration". Further details on the rationale for the transaction and the expected benefits are set out in Section 3.4.2 "Reasons for the Offer and plans for the future business" of this Offer Document.

The graph below shows the development in trading price (closing price) for the Entra Share since early February 2020, immediately prior to global equity markets falling in response to the COVID-19 pandemic:

Entra share price development since early February



3.3.1.4 Fractions

No fractions of SBB Class B Shares will be delivered to Entra Shareholders accepting the Offer. If an Entra Shareholder tenders a number of Entra Shares in the Offer and the Share Consideration to be delivered for these shares does not amount to an even number of full new SBB Class B Shares, consideration for excess fractions of shares will be paid in cash.

3.3.2 Offer Period

The Offer can be accepted from and including 21 January 2021 to and including 26 February 2021 at 16:30 hours (CET). SBB may in its sole discretion extend the Offer Period (one or several times) up to an aggregate total of ten weeks. The Offer Period will in no event be extended beyond 1 April 2021 at 16:30 hours (CET). Any extension of the Offer Period will be announced in the manner described in Section 3.3.10 "Notices" no later than prior to expiry of the Offer Period. When referring to the Offer Period in this Offer Document this refers to the Offer Period as extended from time to time.

SBB will at the end of the Offer Period issue a notification in the manner described in Section 3.3.10 "Notices" informing about the level of acceptance in the Offer.

¹¹ EPRA Net Asset Value of NOK 160 as at 30 September 2020

¹² Based on reported EPRA Net Reinstatement Value of NOK 162 as at 30 September 2020 and valuation uplift equivalent to NOK 23 per share, as announced by Entra on 9 December 2020 (source: Entra disclosures).

3.3.3 Conditions for completion of the Offer

Completion of the Offer is subject to the following conditions, which only can be waived at the sole discretion of SBB:

- **Minimum acceptance.** The Offer shall on or prior to the expiration of the Offer Period have been validly accepted by the Entra Shareholders representing more than 90% of the issued and outstanding share capital and voting rights of Entra on a Fully Diluted (as defined directly below) basis, and such acceptances not being subject to any third party consents in respect of pledges or other rights. For this purpose, "Fully Diluted" shall mean all issued shares in Entra together with all shares which Entra would be required to issue if all rights to subscribe for or otherwise require Entra to issue additional shares, under any agreement or instrument, existing at or prior to completion of the Offer, were exercised.
- **Ordinary conduct of business.** There has not been made, and not been passed any decision to make or published any intention to make, any changes in the share capital of Entra or any of its subsidiaries, issuance of rights which entitles holders to demand new shares or similar securities in Entra or any of its subsidiaries, payment of dividend or other distributions to the Entra Shareholders, proposals to the Entra Shareholders for merger or de-merger, or any other change of corporate structure.
- **No action by Relevant Authority.** No Relevant Authority¹³ of a competent jurisdiction shall have taken any form of legal action (whether temporary, preliminary or permanent) that prohibits the consummation of the Offer or shall in connection with the Offer have imposed conditions upon SBB, Entra or any of its affiliates which are material for the value of the Entra Group (taken as a whole).
- **No Material Adverse Effect.** There have not been events which as of 20 January 2021 was not publicly known or known by SBB that has or would reasonably be expected to have a material adverse effect on the business, assets, liabilities, condition (financial or otherwise), results, or operation of the Entra Group taken as a whole (a "**Material Adverse Effect**"), excluding changes, events, developments, effect, or conditions related to or resulting from (A) changes that affect only the industry in which the Entra Group participates in general, (B) changes in legal or regulatory conditions, applicable law, or statutory accounting principles, (C) failure by the Entra Group to meet revenue or earnings projections, (D) the announcement and pendency of the Offer, including any customers of the Entra Group exercising its right to terminate any existing customer contract with the Entra Group or otherwise reducing the volume of purchase from the Entra Group as a result of the announcement, the pendency of SBB or acts by SBB or its affiliates, (E) any change which is known to SBB, (F) any non-material decline in the market price, or change in the trading volume of the Entra Shares, provided that such change or decline would not exclusively result from the actions or omissions of SBB, but only, in the case of clauses (A) through (C), to the extent such changes, events or effects do not affect the Entra Group disproportionately relative to other similar businesses in the industry in which the Entra Group operates.

3.3.4 Procedures for accepting the Offer

Entra Shareholders who wish to accept the Offer must complete and sign the acceptance form, which is enclosed to this Offer Document as [Appendix A](#) (the "**Acceptance Form**") and ensure that it is received by the Receiving Agent prior to the expiry of the Offer Period on 26 February 2021 at 16:30 hours (CET) (or such time that the Offer Period may be extended to). The Acceptance Form can be submitted to the Receiving Agent by hand delivery, e-mail or by regular mail.

An acceptance of the Offer will, in addition to the Entra Shares the individual Entra Shareholder has registered on the VPS account stated in the Acceptance Form, cover all Entra Shares such Entra Shareholder holds or acquires and which are registered on the VPS account stated in the Acceptance Form when the Offer is completed.

Entra Shareholders who own Entra Shares registered on more than one VPS account must submit a separate Acceptance Form for each account.

¹³ "**Relevant Authority**" means any (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government (including any subdivision, court, administrative agency or commission or other authority thereof); (c) central bank, ministry, governmental, quasi-governmental (including the European Union), supranational, statutory, regulatory or investigative body or authority (including any national or supranational anti-trust or merger authority) (d) individual, entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing or arbitral authority or power of any nature; or (e) trade agency, association, institution or professional or environmental body in any jurisdiction.

The correctly completed and signed Acceptance Form shall be delivered by hand, sent by e-mail or sent by mail to the Receiving Agent at the following address:

Arctic Securities AS

Haakon VIIs gate 5
P.O. Box 1833 Vika
NO-0123 Oslo

Phone: +47 21 01 30 40

E-mail: entra@arctic.com

Any Acceptance Form that is not correctly completed or which is received after the expiration of the Offer Period can be rejected without further notice. SBB reserves the right to approve acceptances that are received after the expiration of the Offer Period or that are not correctly completed within the limits of the requirements in Section 6-10 (9) of the Norwegian Securities Trading Act regarding the principle of equal treatment of shareholders.

Entra Shareholders who own Entra Shares which are registered in the name of brokers, banks, investment companies or other nominees, must contact such persons to accept the Offer. Acceptance of the Offer for Entra Shares registered in the name of an investment manager must be done by the manager on behalf of the Entra shareholder.

All Entra Shares tendered in the Offer are to be transferred free of any encumbrances and any other third-party rights whatsoever and with all Entra Shareholder rights attached to them. Any third party with registered encumbrances or other third-party rights over the relevant Entra Shares and/or VPS account(s) must sign the Acceptance Form and thereby waive its rights in the Entra Shares for which such Acceptance Form relates to and approve the transfer of the Entra Shares to SBB free and clear of any such encumbrances and any other third-party rights. Acceptances will be treated as valid only if any such rights holder has consented in signing on the Acceptance Form for the sale and transfer of the Entra Shares free of encumbrances to SBB.

No confirmation of receipt of Acceptance Forms or other documents will be made on behalf of SBB. All notifications, documents and remittances that shall be delivered by or sent to or from the Entra Shareholders who accept the Offer (or their representatives) will be sent to or delivered by them at their own risk.

The acceptance of the Offer is irrevocable, and may not be withdrawn, in whole or in part, once the Receiving Agent has received the Acceptance Form.

By delivering a duly executed Acceptance Form, the Entra Shareholders irrevocably authorise the Receiving Agent to debit such accepting Entra Shareholder's VPS account, and to transfer the Entra Shares to SBB against payment of the Offer Price per Entra Share upon completion of the Offer.

The Offer is only being made (a) outside the United States in an "offshore transaction" within the meaning of, and in compliance with, Regulation S under the U.S. Securities Act ("**Regulation S**") and (b) within the United States only to QIBs. Any QIB within the United States wishing to accept the Offer must submit a duly executed U.S. Investor Representation Letter, which is attached to the Acceptance Form as Schedule 1, together with the Acceptance Form. Any person who submits an Acceptance Form without a U.S. Investor Representation Letter will be deemed to have represented and warranted to SBB and the Receiving Agent that (i) it is not a person within the United States and (ii) it is accepting the Offer in an "offshore transaction" within the meaning of Regulation S and in compliance with such regulation. See also Section 3.3.14 "Notice to U.S. Investors".

In accordance with the Norwegian Securities Trading Act, the Receiving Agent must categorise all new customers in one of three customer categories. All Entra Shareholders delivering the Acceptance Form and which are not existing clients of the Receiving Agent will be categorised as non-professional clients. For further information about the categorisation, the Entra Shareholder may contact the Receiving Agent (telephone: +47 21 01 30 40). The Receiving Agent will treat the delivery of the Acceptance Form as an execution only instruction from the Entra Shareholder to sell his/her/its shares under the Offer, since the Receiving Agent is not in the position to determine whether the acceptance and selling of Entra Shares is suitable or not for the Entra Shareholder.

3.3.5 Blocking of tendered Entra Shares

By delivering a duly executed Acceptance Form, the Entra Shareholders give the Receiving Agent an authorisation to block the Entra Shares to which the Acceptance Form relates, in favour of the Receiving Agent. The Receiving Agent is at the same time authorised to transfer the Entra Shares to SBB against payment of the Offer Price (see Section 3.3.4

"Procedures for accepting the Offer" above and Section 3.3.11 "Settlement" below). In the event that the Offer is cancelled, any such blocking will be terminated. The Entra Shareholders undertake, from the time of accepting the Offer by submitting a duly executed Acceptance Form in accordance with Section 3.3.4 "Procedures for accepting the Offer", not to sell or in any other way dispose over, use as security, pledge, encumber or transfer to another VPS account, the Entra Shares covered by the Acceptance Form. The Entra Shareholder is free to dispose over any other securities registered in the same VPS account as the blocked Entra Shares.

3.3.6 *Shareholder rights*

Entra Shareholders who accept the Offer will remain the legal owners of their Entra Shares and retain voting rights and other shareholder rights related thereto to the extent permitted under Norwegian law until settlement has taken place.

3.3.7 *Amendments to the Offer*

Subject to the approval of the Oslo Stock Exchange, SBB reserves the right to amend the Offer, including by increasing the Offer Price or extending the Offer Period one or several times, in its sole discretion and in accordance with applicable rules and regulations at any time during the Offer Period, provided, however, that SBB may not amend the Offer in a manner which disadvantages the Entra Shareholders. Any amendments are binding on SBB once a notice is published by the Oslo Stock Exchange in accordance with the procedures set out in Section 3.3.10 "Notices" below. Any acceptance received by the Receiving Agent is binding even if the Offer Period is extended and/or the Offer is otherwise amended in accordance with the terms of this Offer Document. Entra Shareholders who have already accepted the Offer in its original form or with previous amendments will be entitled to any benefits arising from such amendments.

3.3.8 *Transaction costs*

Entra Shareholders who accept the Offer will not have to pay brokerage fees. SBB will pay VPS transaction costs that may occur as a direct consequence of the Entra Shareholder accepting the Offer. SBB will not cover any other costs that an Entra Shareholder may incur in connection with acceptance of the Offer.

3.3.9 *Tax*

Entra Shareholders accepting the Offer are themselves responsible for any tax liability arising as a result of the settlement and any costs incurred in obtaining advice in this matter. A general description of the tax implications of the Offer is included under Section 3.7 "Taxation" below.

3.3.10 *Notices*

Notices in connection with the Offer will be published by notification to the Oslo Stock Exchange. Notices will be deemed made when the Oslo Stock Exchange has published the notice. SBB will without undue delay notify the Oslo Stock Exchange if the conditions of the Offer are met or waived or if the Offer is cancelled.

3.3.11 *Settlement*

3.3.11.1 *Overview*

Settlement of the Cash Consideration is expected to commence as soon as SBB has announced that the conditions for the Offer have been fulfilled or that SBB has decided to complete the Offer by waiving any unfulfilled conditions, which in no event will find place later than two weeks following such announcement. Under the current timetable, settlement of the Cash Consideration is expected to take place on or around 9 March 2021.

Settlement of the Share Consideration is expected to take place no later than 15 March 2021 under the current timetable, following approval of the Listing Prospectus (as defined in section 3.3.11.3 below) by Finansinspektionen (Sweden's financial supervisory authority). As the Listing Prospectus will need to contain Q4 2020 figures and the number of Consideration Shares issued will not be known before the Offer is declared unconditional by SBB, SBB does not expect to be able to publish an approved Listing Prospectus before such date.

Entra Shareholders who have tendered Entra Shares in the Offer remain bound by their acceptance until settlement has occurred or the Offer has lapsed. In connection with the settlement, the Entra Shares will be withdrawn from the blocked securities account. No notice will be sent to Entra Shareholders in connection with the withdrawal.

3.3.11.2 *Settlement of the Cash Consideration*

Settlement of the Cash Consideration will be made in Norwegian kroner (NOK). On settlement, the relevant amount payable to each Entra Shareholder who has accepted the Offer will be transferred to the bank account that, at the time of acceptance, was registered in the VPS as the account for payment of dividends to the Entra Shareholder. If there are no records of a bank account in the VPS that can be used for settlement of the Cash Consideration, the Entra Shareholder

must specify on the Acceptance Form (or on a separate sheet submitted together with the Acceptance Form) the bank account to which payment should be made.

For Shareholders who do not hold a bank account with a Norwegian bank, payment details for offshore payments must be included in the Acceptance Form in addition to the bank account number, the bank, IBAN, SWIFT/BIC or similar payment codes depending on the jurisdiction where the bank account is located. The Receiving Agent should be contacted by the Entra Shareholder in this respect.

Entra Shareholders registered in the VPS Register and who have not supplied the VPS with details of any Norwegian kroner account, must give their consent that the Receiving Agent may send the funds in one of the following manners: (i) by cheque in the local currency of the jurisdiction of the Entra Shareholder (either as registered in the VPS or as stated on the Acceptance Form) or in U.S. dollars (USD) or (ii) by remittal of funds to any bank account in the relevant Shareholder's name in any applicable currency of such account. The Receiving Agent may select the payment method that the Receiving Agent in its sole opinion deems the most appropriate, and the Receiving Agent may for such purpose convert the funds into any applicable currency.

3.3.11.3 Settlement of the Share Consideration

Settlement of SBB Class B Shares through a registrar arrangement

The Share Consideration will be delivered to the Entra Shareholders through an arrangement in Sweden which enables an issuance of shares to Entra Shareholders in the VPS. The arrangement denotes a registrar agreement whereby a bank (the "**Registrar Bank**") will act as the registrar in the VPS of all SBB Class B Shares to be issued as Share Consideration to the Shareholders who accept the Offer on behalf of such Entra Shareholders, who will be the beneficial owner of the SBB Class B Shares.

As the Share Consideration will be delivered in the VPS system, the Entra Shareholders will become the beneficial owners (the "**Beneficial Owners**") of the SBB Class B Shares, which carry ISIN SE0009554454 in Euroclear Sweden and the VPS and are issued in accordance with, and governed by, Swedish law. The relationship and obligations between the Registrar Bank and the Beneficial Owners, as well as the Registrar Bank's obligations and responsibilities as registrar in the VPS, will be governed by the registrar agreement (expected to be governed by Norwegian law) and the Norwegian Securities Registration Act of 15 March 2019 no 6 (*Nw. Lov om verdipapirsentraler og verdipapiroppgjør mv. (verdipapirsentralloven)*).

The Registrar Bank will register the Beneficial Owners as owners of the SBB Class B Shares in VPS. No action is required from the Beneficial Owners to receive the SBB Class B Shares. The arrangement will facilitate the VPS registration of the shareholding, whereas the Registrar Bank on behalf of the Beneficial Owners and hold on their behalf, in its book-entry account in Euroclear Sweden, such number of SBB Class B Shares as corresponds to the number of SBB class common shares registered in the VPS.

The Beneficial Owners' shareholder rights for the SBB Class B Shares owned through the Registrar Bank

The Beneficial Owners are for Swedish law purposes considered as nominee registered shareholders. The Beneficial Owners are in all material respects entitled to the same rights and obligations as any other nominee registered shareholder of SBB class B common shares, such as, but not limited to, meeting and voting rights at SBB's general meeting of shareholders (following a temporary re-register of his or her shares in his or her own name through the nominee), exercise of preferential rights to subscribe for new shares, etc. The Registrar Bank will register corporate events of SBB in VPS (such as payments of dividends, issuance of shares, etc.) based on instructions from SBB.

A Beneficial Owner not wishing to hold its SBB Class B Shares through the VPS may convert its ownership from VPS to Euroclear Sweden. In such event, the Beneficial Owner will be able to hold its SBB class B common shares directly on its Swedish book-entry account in Euroclear Sweden. Similarly, a Beneficial Owner wanting to hold its SBB Class B Shares through another financial institution than the Registrar Bank, may transfer its shareholding to a custodian that has a Swedish book-entry account. The Registrar Bank may charge a fee for effecting the conversion from VPS to Euroclear Sweden. The Registrar Bank will not currently charge any additional fees from the Beneficial Owners for holding the SBB Class B Shares in the VPS. Ordinary banking or service fees will apply in accordance with the terms and conditions applicable to the Beneficial Owner's customer relationship from time to time.

Share issue by SBB and rights conferred by the Consideration Shares

The share component of the offer will consist of newly issued SBB Class B Shares to be resolved upon by the board of directors of SBB pursuant to an existing authorisation granted by the annual general meeting of shareholders of SBB on 27 April 2020. The Board of Directors will issue the Consideration Shares in connection with the settlement, whereby

each Consideration Share will have a nominal value of SEK 0.10. The share issue of SBB Class B Shares, as consideration for the Entra Shares tendered during the Offer Period, is expected to occur immediately after the Listing Prospectus (as defined directly below) has been approved and published.

Please see Section 12.8.2 "Certain rights attached to the shares" and Section 13 "Articles of Associations" for information about shareholder rights to SBB Class B Shares. Please also see Section 1.6.3 "The Share Consideration will be delivered through a custodian arrangement in Sweden, which means that Entra Shareholders receiving Consideration Shares will be considered as beneficial owners and treated as nominee-registered shareholders under Swedish law, which involves additional risks" for more information about the risks associated with the Consideration Shares.

Publication of a Listing Prospectus and subsequent listing of the Consideration Shares on Nasdaq Stockholm

Pursuant to the EU Prospectus Regulation, a listing prospectus for the Consideration Shares must be prepared by SBB and approved by the Financial Supervisory Authority of Sweden (*Sw. Finansinspektionen*) (the "**Swedish FSA**") prior to listing and trading of the Consideration Shares on Nasdaq Stockholm (the "**Listing Prospectus**"). The Listing Prospectus is being prepared by SBB in parallel with the Offer, and is expected to be approved by the Swedish FSA and published ahead of settlement in order to facilitate a simultaneous settlement and listing of the Consideration Shares.

In contrary to this Offer Document, which is not subject to the scrutiny and approval of a financial supervisory authority, the Listing Prospectus is being reviewed and approved by the Swedish FSA. Further, the disclosure requirements for a listing prospectus and an exempted document under the EU Prospectus Regulation is not the same. Consequently, there might be a discrepancy in the disclosure of information about SBB and Entra in this Offer Document and in the Listing Prospectus.

Secondary Listing of SBB shares on the Oslo Stock Exchange

SBB will submit an application for a secondary listing of its SBB Class B Shares (or the beneficial interests to such shares) on the main list of the Oslo Stock Exchange. If the listing application submitted by SBB is approved by the Oslo Stock Exchange (subject to fulfilment of relevant free float requirements and any other conditions set by the Oslo Stock Exchange) before expiry of the Acceptance Period, SBB intends to amend the Offer so that Entra Shareholders are entitled to choose to receive the Share Consideration as (i) SBB Class B Shares listed on Nasdaq Stockholm, Large Cap, or (ii) beneficial interest to SBB Class B Shares listed on the Oslo Stock Exchange. Alternative (ii) is, inter alia, expected to be subject to a sufficient number of Entra Shareholders electing Alternative (ii) so that the free float requirements expected to be set by the Oslo Stock Exchange are fulfilled upon issuance of the Consideration Shares.

There can be no assurance that the application for the Secondary Listing will be approved and that the Secondary Listing will be carried out as contemplated, see section 1.6.4 "Additional risks related to the potential Secondary Listing ". It is expected that the details and consequences of the Secondary Listing will be made available in a separate listing prospectus prepared by SBB.

3.3.12 Acquisition of Entra Shares outside the Offer

The Offer will be exempt from the prohibition in Rule 14e-5 of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**") on purchasing securities outside of the tender offer. There is therefore the possibility that SBB, its affiliates and/or certain persons acting on their behalf may purchase Entra Shares outside of the Offer so long as such purchases are permissible under, and are conducted in accordance with, Norwegian law. Such purchases may not be made in the United States. To the extent that information regarding such purchases outside of the tender offer is made public in Norway, such information will also be posted on SBB's website for the benefit of shareholders in the United States. If any consideration paid outside of the tender offer is greater than the Offer Price, the Offer Price will be increased to match the amount of such consideration.

3.3.13 Restrictions

By accepting the Offer by delivery of a duly executed Acceptance Form to the Receiving Agent, the accepting Entra Shareholder certifies that such accepting Entra Shareholder;

- (i) has not received the Offer Document, the Acceptance Form or any other document relating to the Offer in Canada, Australia or Japan, nor to have mailed, transmitted or otherwise distributed any such document in or into Canada, Australia or Japan;
- (ii) has not utilised, directly or indirectly, the postal system, or any means or instrumentality of commerce, or the facilities of any national securities exchange, of Canada, Australia or Japan in connection with the Offer;

- (iii) is not and was not located in Canada, Australia or Japan at the time of accepting the terms of the Offer or at the time of returning the Acceptance Form;
- (iv) if acting in a fiduciary, agency or other capacity as an intermediary, then either (i) has full investment discretion with respect to the securities covered by the Acceptance Form or (ii) the person on whose behalf acting was located outside Canada, Australia or Japan at the time of instructing acceptance of the Offer;
- (v) is not a person within the United States or is acquiring Consideration Shares in an "offshore transaction" outside the United States within the meaning of, and pursuant to, Regulation S.

SBB reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the certifications set out above could have been truthfully given by the relevant Entra Shareholder and, if such investigation is made and as a result SBB determines (for any reason) that such certification could not have been so given, such acceptance may be rejected as invalid.

3.3.14 Notice to U.S. Investors

The Offer is being made for securities of a Norwegian company, and Entra Shareholders in the United States should be aware that this Offer Document and any other documents relating to the Offer have been or will be prepared in accordance with Norwegian law, format and style, all of which differ from those in the United States. SBB's financial statements, and all financial information that is included in this Offer Document, or any other documents relating to the Offer, have been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

This Offer Document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, securities in the United States other than by persons reasonably believed to be QIBs. The Consideration Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or jurisdiction in the United States and may not be offered or sold in the U.S. absent registration or an exemption from registration. Consequently, the Share Consideration referred to in this Offer Document is not being made available, and Consideration Shares are not being offered, sold or delivered, directly or indirectly, in or into the United States if to do so would constitute a violation of the U.S. Securities Act.

The Offer may only be accepted by an Entra Shareholder who is resident in the United States or is otherwise a "U.S. person", as defined under Regulation S under the U.S. Securities Act, if such person is a QIB who delivers to SBB a duly executed U.S. Investor Representation Letter ("**U.S. Investor Representation Letter**"). Any QIB who makes a valid election to receive, and does in fact receive, Consideration Shares may not resell such securities without registration under the U.S. Securities Act or without an applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the U.S. Securities Act).

Neither the U.S. Securities and Exchange Commission ("**SEC**") nor any U.S. state securities commission has approved or disapproved the Offer or passed any comment upon the adequacy or completeness of this Offer Document. Any representation to the contrary is a criminal offence in the United States. Nothing in this Offer Document shall be deemed an acknowledgement that any SEC filing is required or that an offer requiring registration under the U.S. Securities Act may ever occur in connection with the Offer.

It may be difficult for U.S. holders of shares to enforce their rights and any claims they may have arising under the U.S. federal securities laws in connection with the Offer, since SBB and Entra are located in countries other than the United States, and because all of their officers and directors are residents of countries other than the United States. U.S. holders of shares in SBB or Entra may not be able to sue SBB, Entra or their respective officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel SBB, Entra and their respective affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.

Persons receiving this Offer Document (including custodians, nominees and trustees) must not mail, forward or otherwise distribute it in, into or from the United States other than to persons reasonably believed to be QIBs. Their doing so may invalidate any purported acceptance of the Consideration Shares.

Any Acceptance Form from a QIB in the United States must be accompanied by a duly executed U.S. Investor Representation Letter in order to be a valid acceptance of the Offer.

Notwithstanding the above, SBB may in its sole and absolute discretion allow a person in the United States to accept the Share Consideration if requested to do so by or on behalf of that person if SBB is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other applicable law.

The Offer will be made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Exchange Act, and otherwise in accordance with the requirements of Norwegian law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, that are different from those applicable under United States domestic tender offer procedures and law, as described elsewhere in this Offer Document. The Offer will be exempt from the prohibition in Rule 14e-5 of the U.S. Exchange Act on purchasing securities outside of the tender offer and there is therefore the possibility that SBB, its affiliates and/or certain persons acting on their behalf may purchase Entra Shares outside of the Offer so long as such purchases are permissible under, and are conducted in accordance with, Norwegian law. Such purchases may not be made in the United States. To the extent that information regarding such purchases outside of the tender offer is made public in Norway, such information will be posted on SBB's website. If any consideration paid outside of the tender offer is greater than the Offer Price, the Offer Price will be increased to match the amount of such consideration.

3.3.15 *National Client Identifier and Legal Entity Identifier*

Introduction

In order to participate in the Offer, Entra Shareholders (as acceptants) will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**"). Entra Shareholders who do not already have an active NCI or LEI, as applicable, must obtain or renew, as applicable, such codes in time to accept the Offer.

NCI code for physical persons

As of 3 January 2018, physical persons need an NCI code to participate in a financial market transaction. The NCI code is a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID number (Nw: "*fødselsnummer*"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

LEI code for legal entities

As of 3 January 2018, a LEI code is a mandatory number for all legal entities investing in a financial market transaction. A LEI code is a 20-character code that identifies distinct legal entities that engage in financial market transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI code through the website <https://no.nordlei.org/>. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>.

3.3.16 *Product governance*

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Consideration Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Target Market Assessment).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Consideration Shares may decline and investors could lose all or part of their investment; the Consideration Shares offer no guaranteed income and no capital protection; and an investment in the Consideration Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources

to be able to bear any losses that may result therefrom. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Consideration Shares and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or acquire, or take any other action whatsoever with respect to the Consideration Shares.

3.3.17 Anti-money laundering procedures

The Offer is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Entra Shareholders who are not registered as existing customers of Arctic and who accepts the Offer for a total amount of NOK 100,000 must provide such information and documentation as required for compliance with the Anti-Money Laundering Legislation as specified in the Acceptance Form or as otherwise requested by Arctic.

3.3.18 Jurisdiction and choice of law

The Offer, this Offer Document and all acceptances of the Offer shall be governed by Norwegian law with the Oslo District Court as exclusive legal venue. Entra Shareholders accepting the Offer agree that any dispute arising out of or in connection with the Offer, this Offer Document or any acceptances of the Offer is subject to Norwegian law and shall exclusively be settled by Norwegian courts and with the Oslo District Court as exclusive legal venue.

3.4 Additional information on the Offer

3.4.1 Contact between the parties prior to the Offer

On 24 November 2020, SBB announced the intention to launch a voluntary tender offer to acquire Entra ASA to create the leading European social infrastructure player, and on 26 November 2020, SBB formally launched a voluntary offer on the shares in Entra, with an offer price of NOK 165 per Entra share (the "**Initial Voluntary Offer**").

Entra's board of directors announced shortly thereafter that it had considered the Initial Voluntary Offer and the financial terms presented therein, and concluded that the Initial Voluntary Offer would not be recommended by the board of directors of Entra. Following launch of the Initial Voluntary Offer and the mentioned announcement by the board of Entra, SBB was in dialog with Entra with the purpose of carrying out a limited due diligence review and was subsequently granted access to review certain matters. Following this initial, limited due diligence review and the announcement by Entra on 9 December 2020 that it had obtained updated external valuations of its property portfolio, which significantly increased the valuation of Entra's portfolio, SBB announced on the same date that it was withdrawing its Initial Voluntary Offer on the basis of unsatisfactory due diligence review.

On 16 December 2020, SBB reinitiated contact with the board of directors of Entra by submitting a focused list of due diligence requirements. This resulted in SBB receiving access to the relevant due diligence items, and SBB was able to complete its due diligence review of Entra with an outcome satisfactory to SBB which provided grounds for an improvement to terms of the Initial Voluntary Offer. On 23 December 2020, SBB announced its intention to launch this improved Voluntary Offer, without any due diligence condition.

As set out in Section 6-16 of the Norwegian Securities Trading Act, the board of directors of Entra shall provide its formal opinion on the Offer up to one week prior to the expiry of the Offer Period, as further described under section 3.4.5 "Statement from the board of directors of Entra" below.

3.4.2 Reasons for the Offer and plans for the future business

SBB was established in March 2016, and is a leading Nordic social infrastructure property company. It has a portfolio across Sweden, Norway, Finland and Denmark with a gross asset value of SEK 81 billion as of 30 September 2020. SBB generates most of its income from the management of its social infrastructure property portfolio, which includes (i) community services properties, such as elderly care homes, schools and group housing, in Sweden, Norway, Finland and Denmark and (ii) rent-regulated residential properties in Sweden. The SBB Group also generates additional income streams from property renovations, property development activities and real estate transactions. SBB's business model is to acquire and manage properties that current and future tenants find attractive and competitive and deploy capital to effectively generate sustainable and steady risk-adjusted returns. As of 30 September 2020, community services properties and rent-regulated residential properties accounted for approximately 78% and 16% of the SBB Group's total

portfolio by gross asset value, respectively. Further, SBB proactively initiates energy projects across its portfolio to achieve energy savings and reduced CO2 emissions and SBB has set up a sustainability vision for 2020-2030 with the ambition to be 100% climate neutral by 2030.

SBB is a significant player in Norway with approximately NOK 18 billion of assets as of 30 September 2020, representing around 22% of SBB's total property value. The portfolio is located across various cities in Norway with a majority of exposure in the greater Oslo area.

Entra is a leading developer, landlord and manager of 90 attractive, environmentally-friendly prime office properties centrally located in Norway's largest cities: Oslo and its surrounding area, Bergen, Stavanger and Trondheim. Entra's portfolio is characterised by stable, long-term leases with a weighted average lease term (WAULT) of seven years, high occupancy consistency over 95% and a substantial portion of low-risk, publicly financed tenants. Furthermore, the business is characterized by an industry-leading commitment to develop and manage environmentally-friendly buildings and contribute to reducing the real estate sector's environmental footprint.

SBB has followed Entra closely over the past several years and has been impressed by its high quality assets, its strong relationship with governmental and municipal tenants, and its industry leading commitment to sustainability. A combination with Entra has strong strategic rationale as it provides an opportunity to further scale SBB's business in Norway whilst its portfolio has strong similarities with SBB's portfolio, enabling SBB to continue its growth ambitions of becoming the leading social infrastructure company in Europe. On the basis of the strong strategic rationale for the combination, coupled with the significant synergy potential, SBB believes that the Offer is highly attractive to the stakeholders of Entra, including to Entra's shareholders who are offered continued participation through the Considerations Shares in the Offer.

SBB believes the combined company, with a substantially larger portfolio of approximately SEK 135 billion in Gross Asset Value¹⁴ and greater geographical footprint, would be even better positioned as a long-term committed partner to government tenants and local municipalities, amongst others, across the Nordics. By expanding into social infrastructure assets in Norway, the management of SBB believes that the combined company will offer an attractive property portfolio with highly stable and predictable cash flows, underpinned by the strong sovereign credit ratings of the Nordic countries. The combined property portfolio will be characterised by long-term lease terms, high occupancy rates and a diversified tenant base, with a high concentration of government supported occupants. Furthermore, SBB believes that the combination will fit well with its long-term sustainability efforts and will enable the combined company to converge their ESG goals with common focus on sustainability leadership in the years to come.

SBB is a transaction focused social infrastructure player which regularly makes value creating adjustments to its property portfolio, and which is likely to continue to do so in order to deliver on the above-mentioned ambition for the combined company. SBB will pursue such opportunities in order to strengthen the market position and diversification of the combined company, to further enhance the combined business profile and over time, benefit from an improved credit rating, which has the potential to reduce the cost of funding for the combined group.

With reference to the announcement made by SBB on 23 December 2020, SBB is also continuing the discussions with a leading Norwegian institution with substantial real estate exposure to partner up and back SBB's bid and strategy in Norway going forward. Any developments in these discussions will be announced to the market through announcements on SBB's ticker on Nasdaq Stockholm (ticker code "SBB B").

SBB expects the transaction to be accretive to its Funds From Operations per share in the first year following completion. SBB has identified a total of approximately SEK 260 million of expected run-rate synergies pre taxation, reflecting a unique opportunity to create value for both sets of shareholders. Approximately SEK 60 million of annual synergies are anticipated to be driven by corporate efficiencies, optimisation of operations and active asset management. An additional c. SEK 200 million of annual financing synergies are expected to be generated through optimisation of the combined entity's capital structure, supported by SBB's attractive cost of funding.

SBB will pursue a secondary listing of its Class B Shares on the Oslo Stock Exchange in 2021, as further described in section 3.3.11.3 "Settlement of the Share Consideration" above.

¹⁴ Based on SBB's portfolio as of 30 September 2020 and Entra's announced revaluation of its portfolio to NOK 56.5 billion on 9 December 2020 and a NOK/SEK exchange rate of 0.96.

3.4.3 *Impact on Entra's employees*

There are currently no decisions on any changes to SBB's or Entra's employees and management or to the existing organisation and operations of Entra, including the terms of employment, employment rate and locations of the business. The existing employment rights, including pension rights, of the employees of Entra will in any event be safeguarded. To realise the integration benefits, the integration of Entra and SBB will likely entail some changes to the organisation, operations and employees of the combined group. The specific initiatives to be implemented pursuant to the integration will be determined following completion of a detailed review of the combined business in the period following the completion of the Offer. Before completion of the Offer, it is too early to say which initiatives will be taken and the impact these would have.

3.4.4 *Legal implications*

From the point in time Entra was informed that the Offer would be launched and until expiry of the Offer Period and publication of the results of the Offer, Entra is subject to certain restrictions on its freedom of action pursuant to Section 6-17 of the Norwegian Securities Trading Act, cf. Section 6-19.

To SBB's knowledge, other than set forth above, it is not expected that the Offer and SBB becoming owner of all Entra Shares validly tendered under the Offer will have any legal implications for the Entra Group.

For information about tax implications of the Offer, please see Section 3.7 "Taxation", and to Section 3.4.9 and Section 3.4.10 for information about any subsequent mandatory offer requirements and compulsory acquisition of Entra Shares, respectively.

3.4.5 *Statement from the board of directors of Entra*

The board of directors of Entra has a duty under Section 6-16 of the Norwegian Securities Trading Act to issue a statement on its assessment of the Offer's consequence in respect of the interest of Entra, including the effect, if any, of strategic plans by SBB in this Offer Document on the employees and the location of Entra's business, as well as other factors of significance when assessing whether the Offer should be accepted by shareholders of Entra. Pursuant to Section 6-16 of the Norwegian Securities Trading Act, such statement must be made public no later than one week prior to the expiry of the Offer Period. Should the board of directors of Entra consider itself unable to make a recommendation to the shareholders on whether they should or should not accept the Offer, the board of directors shall explain the reason for this. Information shall also be given about the views, if any, of the board members and the CEO in their capacity as shareholders of Entra (as applicable). If a separate opinion is issued from the employees on the effects of the Offer on employment, such opinion shall be included in the statement from the board of directors.

If an offer is made in agreement with the board of directors of the target company, the Oslo Stock Exchange may pursuant to Section 6-16 (4) of the Norwegian Securities Trading Act require that the formal statement to be made by the board of directors of Entra pursuant to Section 6-16 is instead issued by an independent third party on behalf of Entra.

3.4.6 *Financing of the Offer*

The Cash Consideration in the Offer will be fully financed through a combination of cash on balance sheet, available credit lines and third-party debt. The third-party debt financing to fund the cash component of the Offer is provided by Goldman Sachs via a bridge commitment. For these purposes, it has been assumed that the aggregate Cash Consideration represents no more than 65% of the Base Consideration. The share component of the offer will consist of newly-issued SBB Class B Shares to be resolved upon by the board of directors of SBB pursuant to an existing authorisation granted by the annual general meeting of shareholders of SBB on 27 April 2020.

3.4.7 *Regulatory Approvals*

Clearance from the Norwegian Competition Authority has been obtained. To SBB's knowledge, no other regulatory approvals are required for the completion of the Offer. The Secondary Listing will be subject to approval by the Oslo Stock Exchange.

3.4.8 *Benefits to members of management and directors*

No special advantages have been agreed to be given, nor have any prospects for special advantages been given, to members of the executive management or members of the board of directors of Entra in connection with making the Offer.

3.4.9 *Mandatory offer*

If SBB, as a result of completion the Offer or otherwise, becomes the owner of Entra Shares representing more than 1/3 of the voting rights, SBB will be required under Chapter 6 of the Norwegian Securities Trading Act to either make a mandatory offer for the remaining Entra Shares or, if SBB holds more than 90% of the Entra Shares with voting rights and votes in Entra, it may perform a compulsory acquisition (squeeze-out) as described in Section 3.4.10 "Compulsory acquisition of Entra Shares" below.

The offer price for the mandatory offer must be equal to, or higher than, the highest price paid, or agreed to be paid, by SBB for Entra Shares during the six month period prior to the date on which the obligation to make a mandatory offer is triggered. The offer price in a subsequent mandatory offer, if the Offer is completed, will be equal to the Offer Price (i.e. NOK 190). If the Offer Price is increased by SBB, the mandatory offer price will be equal to such increased Offer Price. Entra Shareholders should note that the value of the Share Consideration at the time of commencement of the Offer Period and the time of settlement of the Offer may differ from the share value at the time when the Offer became unconditional (i.e. when the Offer is completed), and that any such variation will not necessarily affect the offer price in a future mandatory offer. If no shares in Entra are acquired at a higher price than the Offer Price, the price in a subsequent mandatory offer will be based on the Offer Price in the Offer, where the value of the Consideration Shares shall be equal to the three day volume-weighted average share price prior to the time at which the Offer becomes unconditional.

3.4.10 *Compulsory acquisition of Entra Shares*

If, as a result of the Offer, a subsequent mandatory offer or otherwise, SBB acquires and holds, alone and not calculated together with any other parties, 90% or more of the total issued Entra Shares with voting rights representing 90% or more of the voting rights in Entra, then SBB will have the right (and each remaining shareholder in Entra would have the right to require SBB) to initiate a compulsory acquisition (squeeze-out) of remaining Entra Shares not owned by SBB pursuant to Section 4-25 of the Norwegian Public Limited Companies Act and Section 6-22 of the Norwegian Securities Trading Act.

A mandatory offer will not be required by law if SBB at the completion of the Offer holds more than 90% of the voting rights in Entra and within four weeks of completion of the Offer initiates a compulsory acquisition offering a purchase price equal to, or higher than the price that would have been offered in a mandatory offer (see Section 3.4.9 "Mandatory offer" above) and issuing the necessary security for payment of the settlement amount in accordance with Section 6-22 of the Norwegian Securities Trading Act. If SBB presents such offer in writing to all of the remaining Entra Shareholders with a known address, and the offer is announced in the Norwegian Register of Business Enterprises' electronic bulletin for public announcement, SBB may set a time limit for each Entra Shareholder to contest or refuse the offer. If the minority shareholders of Entra do not accept the offered price, then each such Entra Shareholder has the right to require the price to be paid per share in Entra settled through judicial assessment. The cost of such judicial assessment will, as the main rule, be the responsibility of the majority Entra shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority Shareholders as a result of a compulsory acquisition. There is, however, no guarantee that the minority Entra Shareholders will not be held responsible for costs associated with the judicial assessment.

If, as a result of the Offer, a subsequent mandatory offer or otherwise, SBB acquires and holds 90% or more of the total issued Entra Shares with voting rights which represents 90% or more of the voting rights in Entra, then SBB intends to carry out a compulsory acquisition of the remaining Entra Shares in Entra in accordance with the procedures outlined above.

3.4.11 *Delisting of the Entra Shares on the Oslo Stock Exchange*

Following completion of the Offer, dependent upon the number of Entra Shares acquired by SBB pursuant to the Offer, SBB reserves its right to propose to the general meeting of Entra to apply to the Oslo Stock Exchange for the delisting of the Entra Shares. Such proposal requires the approval of a 2/3 majority at the general meeting to be adopted. Any application for de-listing will be approved or rejected by the Oslo Stock Exchange in accordance with the Oslo Stock Exchange's continuing obligations of stock exchange listed companies, taking into account among other things the interests of any minority Entra Shareholders. The board of directors of the Oslo Stock Exchange may also decide on its own initiative to delist the Entra Shares should the conditions for listing no longer be fulfilled, for instance following initiation of a compulsory acquisition.

3.4.12 *Miscellaneous*

The Offer Document is sent to all Entra Shareholders whose address appears in Entra's share register in the VPS as of 25 January 2021 (pursuant to the T+2 settlement procedure in VPS), except those Entra Shareholders residing in

jurisdictions where the Offer Document may not be lawfully distributed have been excluded from the distribution hereof. Entra Shareholders resident outside of Norway should read the Section entitled "Important information" in the introductory part of this Offer Document and Section 3.3.13 "Restrictions" above.

3.4.13 Post-Offer ownership structure in SBB and dilution for existing SBB shareholders

Under the Offer terms, Entra Shareholders will be offered NOK 190 per Entra Share, which will be delivered as a combination of NOK 123.50 in cash and NOK 66.50 in new SBB Class B Shares, subject to variations for each Entra Shareholder pursuant to the Mix & Match Facility. As at 30 September 2020, the net asset value per SBB Class B Share amounted to SEK 24.36 and the issue price within the Offer would amount to SEK 28.25 per SBB Class B Share, based on the volume-weighted average share price of the SBB Class B Share during the last three trading days leading up to and including 22 December 2020 (being the last trading date before announcement of the intention to launch the Offer). The final issue price upon completion of the Offer will however be calculated on the basis of the volume-weighted average share price of the SBB Class B Share during the last three trading days before the Offer is declared unconditional, and is thus subject to change.

The existing shareholders of SBB will be diluted by 21.0 per cent in terms of shares and 10.6 per cent in terms of voting rights as a consequence of the Offer and issuance of the Consideration Shares to the Entra Shareholders, based on (i) 100 percent acceptance level, (ii) the volume-weighted average share price of the SBB Class B Share during the last three trading days leading up to and including 22 December 2020 (the last trading day before the announcement of the intention to launch the Offer), and (iii) the full Share Consideration being delivered as Shares. Based on these assumptions, the share capital of SBB will following completion of the Offer amount to SEK 191,156,527.80, divided by 1,911,565,278 SBB Shares across all Classes, each with a nominal value of SEK 0.10.

The table below provides an overview of the number of securities and voting rights in SBB prior to and following completion of the Offering. The number of shares and votes for the SBB Class B Shares are based on the same assumptions as set out in the above paragraph.

Share class	Before the Offer		After the Offer	
	Number of shares	Voting rights	Number of shares	Voting rights
Class A common shares.....	209,977,491	209,977,491	209,977,491	209,977,491
Class B common shares.....	1,119,504,867	111,950,486.70	1,521,675,194	152,167,519.40
Class D common shares	179,881,880	17,988,188	179,881,880	17,988,188
Preference shares	30,713	3,071.30	30,713	3,071.30
Total	1,509,394,951	339,919,237	1,911,565,278	380,136,269.70

3.5 Competing offer from Castellum Aktiebolag

On 7 January 2021, Castellum Aktiebolag (publ) ("**Castellum**") launched a voluntary exchange and cash offer for all outstanding shares in Entra not already owned by Castellum. The offer period commenced on 8 January 2021 and lasts until 6 February 2021 at 06:00 hours (CET).

Castellum offers Entra Shareholders NOK 186.19 per Entra Share (based on Castellum share price at closing on 5 January 2021 of SEK 205.70 and a SEK/NOK exchange rate of 1.0412), consisting of 8 newly issued Castellum shares for every 13 shares in Entra and NOK 54.39 in cash per share in Entra. Eligible Entra Shareholders are also offered a mix and match facility.

3.6 Information about Entra

For information about Entra and the Entra Group, including, but not limited to, corporate information, overview over large shareholders, financial information, etc., please see Section 4 "About the Entra Group".

3.7 Taxation

3.7.1 Introduction

Set out below is a summary of certain Norwegian tax considerations relevant to the disposal of Entra Shares pursuant to the Offer. The statements below regarding Norwegian taxation are based on the laws, rules and regulations in force in Norway as of the date of this Offer Document, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address foreign tax laws.

The summary does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant to a decision to dispose of Entra Shares. Entra Shareholders are advised to consult their own tax advisers concerning their overall tax situation. Entra Shareholders resident in jurisdictions other than Norway should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence or other jurisdictions to which they may have a tax liability.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

For more information about taxation, both from a Norwegian law and Swedish law perspective, please see Section 15 "Important information on taxation related to the Consideration Shares".

3.7.2 Norwegian taxation related to the Offer

3.7.2.1 General

The sale or other disposal of Entra Shares is considered a realisation for Norwegian tax purposes, regardless of whether the consideration is paid in cash, shares in other companies or both.

3.7.2.2 Taxation of capital gains on realisation of Entra Shares – Norwegian Personal Shareholders

A capital gain or loss realised by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") through a realisation of shares in SBB is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less a tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 31.68%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of Shares disposed of.

The taxable gain/deductible loss is calculated per Entra Share, as the difference between the value of consideration for the Share (in the form of cash, shares in other companies etc.) and the Norwegian Personal Shareholder's cost price of the Entra Share, including any costs incurred in relation to the acquisition or realisation of the Entra Share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance when calculating their taxable income provided that such allowance has not already been used to reduce taxable dividend income. The allowance is calculated on a share-by-share basis. The allowance for each Entra Share is equal to the cost price of the Entra Share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding Entra Shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer Entra Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any unused allowance one year is added to the cost price of the Entra Share and forms the basis for the calculation of the allowance in the next year. The allowance may only be deducted in order to reduce a taxable gain, and cannot be deducted in order to increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of an Entra Share will be annulled.

If the Norwegian Personal Shareholder owns Entra Shares acquired at different points in time, the Entra Shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Personal Shareholders may hold listed shares (such as the Entra Shares) through a Norwegian share saving account (*Nw.: aksjesparekonto*). Gains derived upon the realisation of shares held through a share saving account will be exempt from Norwegian taxation and losses will not be tax deductible. Withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account, and subject to tax at an effective tax rate of 31.68%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, cf. above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

3.7.2.3 Taxation of capital gains on realisation of Entra Shares – Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are exempt from tax on capital gains derived from the realisation of Entra Shares qualifying for Norwegian participation exemption, such as shares in a Norwegian public limited company (*Nw.: allmennaksjeselskaper*). Losses upon the realisation and costs incurred in connection with the purchase and realisation of such Entra Shares are not deductible for tax purposes.

3.7.2.4 Taxation of capital gains on realisation of Entra Shares – Non-Norwegian Shareholders

Gains from the sale or other realisation of Shares by shareholders who are not resident in Norway for tax purposes ("**Non-Norwegian Shareholders**") will not be subject to taxation in Norway unless the Non-Norwegian Shareholder holds the Shares in connection with the conduct of a trade or business in Norway. In such case, the Non-Norwegian Shareholder will be subject to the same taxation as Norwegian shareholders as described above, cf Sections 3.7.2.2 "Taxation of capital gains on realisation of Entra Shares – Norwegian Personal Shareholders" or 3.7.2.3 "Taxation of capital gains on realisation of Entra Shares – Norwegian Corporate Shareholders" above depending on the Non-Norwegian Shareholder's specific circumstances.

Non-Norwegian Shareholders who are individuals ("**Non-Norwegian Personal Shareholders**") resident in the EEA for tax purposes may hold their Entra Shares through a Norwegian share saving account. Capital gains realised upon realisation of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without taxation.

3.7.3 Duties on the transfer of shares

There are currently no Norwegian VAT, stamp duties or transfer taxes on the transfer of shares in Norwegian companies.

4 ABOUT THE ENTRA GROUP

The following is a short summary description of the Entra Group as at the date of the Offer Document prepared on the basis of publicly available information. The summary is not complete and does not contain all the information that should be considered in connection with a decision of whether to accept the Offer or not. Further information about the Entra Group, including annual reports, interim reports, investor information and previously issued prospectuses, may be found on the company's web site. The information in this Section 4 "About the Entra Group" has been prepared in accordance with publicly available information, including annual reports, interim reports and stock exchange notices published by Entra. Consequently, SBB cannot accept any liability for the accuracy and completeness of the information in this Offer Document regarding the Entra Group. Neither the executive management, the board of directors, nor any other representative of Entra has participated in the preparation of this Offer Document.

4.1 Corporate information about Entra

The target company's registered name is "Entra ASA", while its commercial name is "Entra". The target company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act.

Entra's registered office is in the municipality of Oslo, Norway, with business address at Biskop Gunnerus' gate 14A, N-0185 Oslo, Norway. The main telephone number at this address is +47 21 60 51 00. Entra was incorporated on 20 December 2012 as a private limited liability company and was converted into a public limited liability company on 22 September 2014. The registration number of Entra in the Norwegian Register of Business Enterprises is 999 296 432 and its LEI code is 549300APU14LQKTYCH34.

All shares issued in Entra are issued in accordance with, and governed by, the Norwegian Public Limited Liability Companies Act. The Entra Shares are registered in book-entry form with the VPS under ISIN NO 0010716418. Entra's register of shareholders is administrated by DNB Bank ASA, Registrar Department, with registered business address at Dronning Eufemias gate 30, 0191 Oslo, Norway. Entra's website can be found at www.entra.no. The content of this website is not incorporated by reference hereto, and does not form a part of this Offer Document.

4.2 The business of the Entra Group

4.2.1 General

The Entra Group is a leading owner, manager and developer of properties in Norway. It is focused on centrally located, high quality, environment friendly properties in the largest Norwegian cities Oslo, Bergen, Stavanger and Trondheim. The headquarter of the Entra Group is located in Oslo.

The Entra Group has particular experience in letting to the public sector, which represents a significant portion of its customer portfolio. The Entra Group is a professional owner and manager of its own property portfolio. Through property and project development, the Entra Group creates additional value to its portfolio, whereas approximately 5-10% of its portfolio is in project development. The Entra Group has expertise and experience in zoning, planning, building and renovation of properties. Approximately 90% of the portfolio consists of office properties. The Entra Group also owns cultural buildings, such as the National Library in Oslo and Rockheim in Trondheim, as well as buildings that are used for education.

The Entra Group's property portfolio is characterized by solid tenants on long leases with a high occupancy ratio. As of 30 September 2020, the Entra Group's management portfolio of 75 properties with a total area of approximately 1.1 million sqm. The occupancy rate was 97.4% as of 30 September 2020. As of the same date, the weighted average lease term for the SBB Group's leases was 6.9 years (6.2) for the management portfolio and 6.9 years (6.9) when the project portfolio is included. For the management portfolio, the public sector represented approximately 59% of the Entra Group's total rental income. The entire property portfolio consists of 90 properties with a market value of NOK 51.8 billion as of 30 September 2020.

4.2.2 The portfolio

Entra published an updated valuation of its property portfolio on 9 December 2020, pursuant to which it announced an increase of 8.1 per cent to NOK 56.5 billion, from NOK 51.8 billion as presented in its third quarter 2020 report. This represented a value improvement of NOK 23 per Entra Share compared to book values as of 30 September 2020, adjusted for minority interests and investments in the period. Entra's EPRA NRV was NOK 162 per Entra Share as of 30 September 2020. The net yield on Entra's portfolio with the updated valuation was around 4.5%.

The following table presents information with respect to the Entra Group's property portfolio, based on and as extracted from page 9 of the interim financial statements as of, and for the three and nine months ended, 30 September 2020.

	Properties	Area	Occupancy	Wault	Market value¹	
	(#)	(sqm.)	(%)	(year)	(NOKm)	(NOK/sqm)
Oslo	34	549,679	97.9	6.7	27,775	50,529
Trondheim	11	158,940	96.9	7.2	4,928	31,005
Bergen	8	119,538	93.8	5.5	4,885	40,863
Sandvika	9	98,988	99.4	7.8	3,072	31,034
Stavanger.....	5	78,607	99.0	6.5	2,231	28,377
Drammen	8	69,461	98.0	9.1	2,370	34,126
Management portfolio	75	1,075,214	97.4	6.9	45,260	42,094
Project portfolio.....	9	137,632	-	9.3	5,800	42,144
Development sites	6	114,859	-	0.3	784	6,826
Property portfolio	90	1,327,705	-	6.9	51,845	39,048

1 The market value is defined as the external appraiser's estimated transaction value of the individual properties on the valuation date. The project portfolio is valued based on the same principles, but with deduction for remaining investments and perceived risk as of the valuation date. The land development portfolio is based on actually zoned land.

4.3 Board of directors, management and employees

4.3.1 Board of directors

The board of directors of Entra comprise the following individuals:

Name	Position in the board of directors
Siri Hatlen	Chair
Kjell Bjordal	Board member
Wider Salbuviik	Board member
Camilla AC Tepfers	Board member
Benedicte Schilbred Fasmer	Board member
Erling Nedkvitne	Employee representative
Marit Rasmussen	Employee representative
Mariann Halsvik Larsen.....	Deputy employee representative
Frank Erik Ålberg	Deputy employee representative
Eirik Kamstrup Hovind.....	Deputy employee representative
Evija Izaka.....	Deputy employee representative

4.3.2 Management

The executive management of Entra comprise the following individuals:

Name	Position in the executive management
Sonja Horn	Chief Executive Officer
Anders Olstad	Chief Financial Officer and Deputy Chief Executive Officer
Kjetil Hoff	Chief Operating Officer
Per Ola Ulseth	EVP Project Development
Tore Bakken	EVP Market and Commercial Real Estate Development
Åse Lunde	EVP Digitalisation and Business Development
Kristine Marie Hilberg	EVP HR and organisation

4.3.3 Employees

As of 30 September 2020, the Entra Group had 181 (176) employees.

4.4 Share capital, shareholders and regulatory disclosures

4.4.1 Share capital

As of the date of this Offer Document, Entra has a registered share capital of NOK 182,132,055, divided into 182,132,055 Entra Shares, each with a nominal value of NOK 1.00.

4.4.2 Major shareholders

Based on publicly available information, no shareholder of Entra other than Folketrygdfondet (the Government Pension Fund, Norway), Fastighets Balder AB and Castellum AB holds 5% or more of the share capital.

Fastighets Balder AB has disclosed to the market that it holds 36,462,583 shares in Entra, corresponding to approximately 20.02% of the share capital in Entra. Castellum AB has disclosed to the market that it holds 15,000,000 shares in Entra, corresponding to 8.24% of the share capital in Entra. The shares owned by Fastighets Balder AB and Castellum AB are held through nominee accounts, and Fastighets Balder AB and Castellum AB are therefore not included in the table below.

As of 12 January 2021, being a date close to the date of this Offer Document, the 20 largest shareholders of Entra are as set out in the table below.

#	Shareholder	Number of shares	% of top 20 shareholders	% of total shareholders
1	Danske Bank A/S	22,533,473	20.19%	12.37%
2	Folketrygdfondet	21,410,459	19.18%	11.67%
3	Carnegie Investment Bank AB.....	15,000,000	13.44%	8.24%
4	Credit Suisse (Switzerland) LTD	7,379,351	6.61%	4.05%
5	State Street Bank and Trust Comp	5,616,097	5.03%	3.08%
6	The Bank of New York Mellon SA/NV	5,526,713	4.95%	3.03%
7	Skandinaviska Enskilda Banken AB	4,494,718	4.03%	2.47%
8	The Bank of New York Mellon SA/NV	4,186,669	3.75%	2.30%
9	JPMorgan Chase Bank, N.A., London	2,931,479	2.63%	1.61%
10	J.P. Morgan Bank Luxembourg S.A.	2,878,496	2.58%	1.58%
11	DANSKE INVEST NORSKE INSTIT. II.....	2,669,821	2.39%	1.47%
12	State Street Bank and Trust Comp.	2,173,676	1.95%	1.19%
13	State Street Bank and Trust Comp	2,067,173	1.85%	1.13%
14	J.P. Morgan Securities LLC.....	1,921,927	1.72%	1.06%
15	VERDIPAPIRFONDET KLP AKSJENORGE IN	1 897 031	1.70%	1.04%
16	State Street Bank and Trust Comp	1,849,962	1.66%	1.02%
17	The Bank of New York Mellon SA/NV	1,799,916	1.61%	0.99%
18	J.P. Morgan Bank Luxembourg S.A.	1,769,037	1.58%	0.97%
19	VERDIPAPIRFONDET ALFRED BERG GAMBA ...	1,762,142	1.58%	0.97%
20	State Street Bank and Trust Comp	1,749,006	1.57%	0.96%
Total top 20 shareholders		111,617,146	100%	61.28%
Other shareholders		70,514,909	-	38.72%
Total number of shares		182,132,055	-	100%

4.4.3 Regulatory disclosures

The table below sets out a short summary of information Entra is required to disclose pursuant to Regulation (EU) No 596/2014¹⁵ and the Norwegian Securities Trading Act. The table below only summarizes information Entra has disclosed in this regard during the 12 months' period prior to the date of this Offer Document. Any defined terms used in the summary shall have the meaning ascribed to such term in this Offer Document.

Date disclosed	Category	Summary of the information given
18 January 2021	Mandatory notifications	<p><u>Flagging notification in Entra ASA</u></p> <p>It was announced that Fastighets AB Balder on 15 January 2021 had purchased 100,000 shares in Entra at a volume weighted average price of NOK 191.15. Following the transaction, Fastighets AB Balder holds 36,462,583 shares in Entra ASA, corresponding to approximately 20.02% of the share capital and votes in Entra ASA.</p>

¹⁵ Regulation (EU) No596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Date disclosed	Category	Summary of the information given
12 January 2021	Mandatory notifications	<p><u>Interest rent regulation</u></p> <p>Entra announced a new interest rate for NO0010811649 in the period 14 January 2021 to 14 April 2021 of 1.22. Ticker: ENTRA27.</p>
8 January 2021	Mandatory notifications	<p><u>Standard form for notification of major holdings</u></p> <p>It was announced that Skandinaviska Enskilda Banken AB (publ) on 8 January 2021 had sold shares in Entra, and that it following such sale had shares in the Entra representing 0.0001% of the total shares and votes. Prior to such sale Skandinaviska Enskilda Banken AB (publ) held 5.544 % of the shares and votes in Entra.</p>
7 January 2021	Additional regulated information	<p><u>Announcement regarding launch of Castellum's voluntary offer</u></p> <p>The board of directors of Entra announced that it had noted Castellum's launch of its voluntary offer for the Entra Shares, by way of the offer document published by Castellum. The board of directors stated that it, together with its advisors, would review the offer document to fully understand the terms and conditions of the offer before providing a recommendation to Entra Shareholders. A recommendation will be provided no later than 29 January 2021, as required by applicable regulation in chapter 6 of the Norwegian Securities Trading Act. The board of directors also took note of the announcement published by SBB on 23 December 2020 regarding SBB's intention to present a voluntary offer on the Entra Shares.</p> <p>Entra Shareholders were advised to refrain from taking any actions with respect to their Entra Shares which may be prejudicial to their interests, and to be cautious. It was further noted that there can be no guarantees that either offer will be completed.</p>
7 January 2021	Additional regulated information	<p><u>Castellum launched a voluntary share exchange and cash offer and invited Entra Shareholders to join forces in creating a leading Nordic commercial real estate platform</u></p> <p>Castellum Aktiebolag (publ) ("Castellum") announced the launch of a voluntary exchange and cash offer for all outstanding shares in Entra not already owned by Castellum. As set out in the offer document dated 7 January 2021 prepared by Castellum, Entra Shareholders are offered 8 newly issued Castellum shares for every 13 shares in Entra. The tender period is between 8 January 2021 – 6 February 2021 (subject to extensions).</p> <p><u>A summary of the offer was presented:</u></p> <ul style="list-style-type: none"> Each Entra Share was valued at NOK 186.19 (based on Castellum share price at closing on 5 January 2021 of SEK 205.70 and a SEK/NOK exchange rate of 1.0412). The offer consists of 8 newly issued Castellum shares for every 13 Entra Share. Eligible Entra Shareholders are offered a mix and match facility. The offer represents a premium of 29.6% to Entra's undisturbed closing share price as of 23 November 2020, 2.5% to Entra's volume weighted average share price for the 3-month period ending 23 November 2020, and 14.9% to Entra's reported Q3 2020 EPRA NRV. It was stated that Entra Shareholders will benefit from the value of the synergies from the transactions. Castellum's offer is not conditioned on financing and Castellum's shareholders have already approved the board authorisation for the issuance of the consideration shares. The offer period commenced on 8 January 2021 and lasts until 6 February 2021 at 06:00 hours (CET).
23 December 2020	Mandatory notifications	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010886856 in the period 29 December 2020 to 29 March 2021 of 1.62. Ticker: ENTRA52 ESG.</p>
23 December 2020	Mandatory notifications	<p><u>Strategic interest in Entra - update from the Board of Directors regarding SBB announcement</u></p> <p>The board of directors of Entra noted that SBB had announced an intended new voluntary offer with improved terms.</p> <p>The chair of the board stated that the board appreciates the continued interest in Entra shown by SBB, and notes the improvement in the financial terms proposed relative to SBB's earlier proposal. The chair informed that the board will, with the assistance of its advisors, diligently consider the offer – and that a further announcement will be made when appropriate.</p>

Date disclosed	Category	Summary of the information given
		<p>Shareholders were advised to refrain from taking any action in respect of their shares in the Entra which may be prejudicial to their interests, and to exercise caution when dealing in the shares of Entra.</p> <p>Furthermore, it was announced that, where relevant, the board will in due time provide the statutory recommendation to Entra's shareholders on whether they should or should not accept any offer that is made and formally launched.</p>
23 December 2020	Mandatory notifications	<p><u>SBB announces intention to launch a significantly enhanced voluntary tender offer to acquire Entra ASA</u></p> <p>SBB announced intention to launch a significantly enhanced voluntary tender offer to acquire Entra. Under the enhanced offer, Entra shareholders will be entitled to receive NOK 190 per Entra share. The increased offer price (relative to SBB's previous offer) reflects the successful conclusion of SBB's due diligence on Entra, which has resulted in greater certainty of the value of Entra's assets. The consideration mix offers Entra shareholders significant certainty of value. Entra shareholders will be offered NOK 123.50 in cash, and NOK 66.50 in newly issued SBB Class B Shares. Accordingly, 65% of the consideration will be delivered in cash, while 35% of the consideration will be delivered as share consideration. 65% of the offer consideration will be delivered in cash, and 35% will be delivered in SBB Class B Shares denominated as a fixed value per Entra share. SBB will offer a mix and match facility, whereby each Entra shareholder, subject to certain restrictions, may elect to receive as much cash consideration or as much share consideration as possible for the tendered shares in Entra.</p> <p>SBB also announced that SBB will pursue a listing of its Class B shares on the Oslo Stock Exchange in 2021, subject to certain conditions.</p> <p>Furthermore, SBB announced that it is in advanced discussions with a leading Norwegian institution with substantial real estate exposure that would support SBB's strategy, further details of which will be provided.</p>
23 December 2020	Mandatory notifications	<p><u>New and extended lease contract in Media City Bergen</u></p> <p>It was announced that the University of Bergen had signed a new lease contract for 815 sqm and extended a lease contract for 3,160 sqm in Media City Bergen. The lease contracts have a duration until 2029 and 2034 respectively.</p>
21 December 2020	Mandatory notifications	<p><u>Strategic interest in Entra - update from the Board of Directors</u></p> <p>The board of directors of Entra referred to earlier announcements regarding the strategic interest in Entra.</p> <p>The board of directors informed that, based on the current situation, it was the board's view that the best course of action at the time was to safeguard optionality. Furthermore, the chair of the board stated that the board will, in the best common interest of its shareholders and the company, continue to engage with relevant parties and facilitate any initiatives that in the view of the board could represent an attractive alternative to the strong fundament and attractions of Entra as an independent company.</p>
18 December 2020	Mandatory notifications	<p><u>Strategic interest in Entra - update from the board of directors</u></p> <p>The board of directors of Entra referred to the announcement made by Castellum regarding a revised intended voluntary offer for the Entra's shares.</p> <p>Siri Hatlen, chair of the board, stated that the board appreciates the continued interest in Entra shown by Castellum, and notes the significant improvement in the financial terms proposed relative to Castellum's earlier proposal. Furthermore, the chair informed that the board will, with the assistance of its advisors, diligently consider the offer and that a further announcement will be made by when appropriate.</p> <p>Shareholders were advised to refrain from taking any action in respect of their shares in the Entra which may be prejudicial to their interests, and to exercise caution when dealing in the shares of Entra.</p>

Date disclosed	Category	Summary of the information given
18 December 2020	Mandatory notifications	<p><u>Castellum announces an increased share exchange and cash offer to Entra's shareholders and the sale of a mature stabilized asset portfolio at a 20% premium to book value to Blackstone</u></p> <p>Castellum announced an intention to launch a revised offer. The revised offer increases the consideration in the previously announced intention to launch an offer by 13.9% by offering each eligible Entra shareholder 8 newly issued Castellum shares for every 13 shares in Entra and NOK 54.39 in cash per share in Entra, representing a total value of NOK 185 per Entra share excluding synergies. It was announced that the acceptance period for the revised Offer is expected to commence on or around January 8, 2021.</p> <p>The revised offer consideration consists of a combination of newly issued shares in Castellum and cash for Entra shares. Castellum is offering to each eligible Entra shareholder 8 newly issued Castellum shares for every 13 shares in Entra and NOK 54.39 in cash per share in Entra valuing each Entra share at NOK 185 at announcement of the Revised Offer. As an alternative to the Revised Base Case Consideration, Castellum is offering eligible Entra shareholders a mix & match facility, through which each eligible Entra shareholder is, subject to certain restrictions set out below, given the possibility to elect to receive as much cash or as many Castellum shares as possible.</p> <p>Castellum announced in connection with the revised offer the signing of two sale agreements to divest a portfolio of 214 mature stabilized assets, comprising primarily assets in the warehouse/logistics and light industry segments in Sweden to Arckle Holdco S.à r.l., a company affiliated to funds managed by The Blackstone Group for net proceeds of SEK 18.1 billion.</p>
18 December 2020	Mandatory notifications	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010774797 in the period 22 December 2020 to 22 March 2021 of 1.35. Ticker: ENTRA12 ESG.</p>
17 December 2020	Mandatory notifications	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010789464 in the period 21 December 2020 to 22 March 2021 of 1.26. Ticker: ENTRA20ESG.</p>
17 December 2020	Additional regulated information	<p><u>New lease contract in Schweigaardsgate 15 in Oslo, planning to start redevelopment project</u></p> <p>It was announced that Entra has signed a new lease contract with Nortura for 3,900 sqm in Schweigaardsgate 15 in Oslo. The lease contract has a duration of ten years, starting in Q2 2023. Schweigaardsgate 15 is located next to Oslo central station. The property is currently empty and Entra is preparing to start a redevelopment on the property during H1 2021.</p>
17 December 2020	Additional regulated information	<p><u>Strategic interest in Entra - update from the board of directors in respect of the due diligence request from SBB</u></p> <p>The board of directors of Entra informed that it noticed the continued interest from SBB and in order for SBB to enhance the terms of a potential new offer, the Board stated that it will grant access to certain further due diligence information, always subject to appropriate measures to ensure confidentiality and observing applicable legal requirements. Furthermore, the board underlined that all interested parties have been and will be given access to the same level of information on Entra. For the sake of good order, the board also commented that it is the board's understanding that no offer under statutory law currently exists following the withdrawal of the SBB offer as announced 9 December 2020.</p> <p>Shareholders were advised to refrain from taking any action in respect of their shares in the Entra which may be prejudicial to their interests, and to exercise caution when dealing in the shares.</p>
17 December 2020	Major shareholding notifications	<p><u>Flagging notification in Entra ASA</u></p> <p>It was announced that Fastighets AB Balder on 16 December 2020 purchased 20,000 shares in Entra ASA on Oslo Börs at a volume weighted average price of NOK 182.78. Following the transaction, Fastighets AB Balder holds 27,325,079 shares in Entra ASA, corresponding to approximately 15.003% of the share capital and votes in Entra ASA.</p>

Date disclosed	Category	Summary of the information given
16 December 2020	Additional regulated information	<p><u>SBB announces submission of a focused list of due diligence requirements to the board of directors of Entra ASA</u></p> <p>It was referred to SBB's announcement on 30 November 2020 that SBB had signed a confidentiality agreement with Entra in order to commence due diligence, and SBB announcement on 9 December stating that Entra had not granted SBB access to the detailed due diligence information that SBB required, in order for SBB to satisfy the due diligence condition to its offer for all Entra shares.</p> <p>SBB informed that since the announcement of 9 December 2020, SBB had been approached by certain Entra shareholders that see merit in SBB's offer and, accordingly, support SBB completing its due diligence on Entra. Thus, SBB announced that it had submitted a letter to the board of directors of Entra setting out its definitive and focused due diligence requirements which include (i) the new/revised valuation reports, (ii) rent roll, (iii) material lease agreements and (iv) material construction agreements. If received, SBB informed that it will evaluate this information with the objective of satisfying the due diligence condition of the Offer. Further, SBB stated that its findings in the due diligence exercise may provide grounds for an improvement to the terms of the Offer.</p> <p>Based on the above, SBB strongly encouraged Entra shareholders to take no action in relation to their shares in Entra until further notice.</p>
14 December 2020	Additional regulated information	<p><u>Strategic interest in Entra – update from the board of directors</u></p> <p>The board provided an update in view of the continued strategic interest around Entra. The board of directors announced that it remains highly confident in the attractiveness of Entra's unique high-quality office portfolio, promising project portfolio, strong organisation, and the Company's future growth potential on a stand-alone basis. The Board referred to its previous statements that neither the ongoing revaluation in the Norwegian property market nor Entra's strong project development potential is adequately reflected in the proposals presented to date as an alternative to the continuation of Entra as an independent company.</p> <p>The board of directors informed that it maintains its statement to not recommend the intended voluntary share exchange and cash offer for the Company's shares as announced by Castellum AB on 26 November, as, among other things, the offer undervalues Entra's assets as well as the Company's compelling prospects for long-term value creation. The board, however informed, that it remains open-minded about opportunities to create additional shareholder value and will seek to establish whether the terms of a potential transaction with Castellum can be improved to constitute a recommendable proposal.</p> <p>The chair of the board of Entra, Siri Hatlen stated that following the initiatives from Castellum and SBB the board has in addition evaluated other strategic options, and is continuing to further pursue those that remain relevant. Furthermore, she announced that the target is to conclude the board's view on the best course of action for Entra by 21 December.</p>
10 December 2020	Major shareholding notifications	<p><u>Flagging notification in Entra ASA</u></p> <p>It was announced that Fastighets AB Balder on 9 December 2020 purchased 20,000 shares in Entra ASA on Oslo Börs at a volume weighted average price of NOK 170.9416. Following the transaction, Fastighets AB Balder holds 18,230,202 shares in Entra ASA, corresponding to approximately 10,01% of the share capital and votes in Entra ASA.</p>
9 December 2020	Additional regulated information	<p><u>Regarding announcement from SBB</u></p> <p>Reference was made to SBB's withdrawal from the offer for Entra. The board of directors of Entra stated that it took notice of the announcement from SBB on the withdrawal of its offer.</p> <p>The board of directors of Entra underlined that SBB was given access to the same information on Entra, through a data room, as other interested parties. And that SBB was also, as other parties, offered access to Entra's Board and management, hereunder to discuss the updated valuation. The chair of Entra's board of directors stated that until the withdrawal announcement, SBB had not voiced any concerns relating to neither the substance of information provided nor the degree of access to</p>

Date disclosed	Category	Summary of the information given
		information or the company.
		Regarding the updated valuation, the chair of the board informed that it was performed by the same appraisers and based on the same principles as earlier valuations, and the overall market perspectives underpinning the analysis was supported also by other leading commercial real estate market analysts. The Board stated that it stands firmly by the updated valuation as well as its earlier recommendations and evaluations in relation to the launched and announced offers, and that it would continue to focus solely on what it is in the best, common interest of its shareholders and Entra.
9 December	Announcement from other participants	<p><u>SBB withdraws from Entra ASA offer due to due diligence process</u></p> <p>SBB announced that it is withdrawing its voluntary offer to acquire all outstanding shares in Entra. SBB stated that Entra's updated valuation is not in line with past practice and, in SBB's view, not in line with the Norwegian market development in general. Furthermore, it was stated that the new information submitted creates uncertainty in terms of historical reporting of Entra. This historical reporting forms the basis for SBB's bid and SBB does not longer have sufficient comfort to rely on historical reporting from Entra.</p> <p>SBB stressed that it had not been granted access to detailed information in connection with the due diligence as Entra had restricted access with reference to SBB being a competitor in the Norwegian market (SBB's Norwegian portfolio consists mainly of kinder gardens, elderly care, LSS and locations where Entra is not present). Thus, SBB did not receive a fair treatment and opportunity to satisfy the due diligence requirements.</p> <p>Based on the above, SBB regrettably informed that the due diligence condition to the Offer would not be satisfied or waived and the Offer thus will lapse.</p>
9 December 2020	Major shareholding notifications	<p><u>Major shareholder disclosure</u></p> <p>It was announced that Skandinaviska Enskilda Banken AB (publ) on 8 December 2020 had acquired shares in the Company, and that it following such acquisition had in total 10,098,281 shares in the Company, representing 5.544% of the total shares and votes.</p>
9 December 2020	Inside information	<p><u>Significantly increased valuation of Entra's portfolio</u></p> <p>Entra announced the results of the updated external valuation of the group's property portfolio that was initiated in light of the strategic interest around Entra.</p> <p>The updated valuation increased the value of Entra's property portfolio by 8.1 percent to NOK 56.5 billion, from NOK 51.8 billion as presented in the third quarter report. This represents a value improvement of NOK 23 per share compared to book values as of 30.9.20, adjusted for minority interests and investments in the period. Entra's EPRA NRV was NOK 162 per share as of 30.9.20. The net yield on Entra's portfolio with the updated valuation is around 4.5%.</p> <p>The significant increase in value was in the announcement explained as mainly a result of yields contracting significantly over the recent period. The key interest rate in Norway was reduced from 1.5 % to 0 % from January to April. Lower interest rates have contributed to a significant yield compression in the Norwegian market over the past six months, not least in Oslo, where eight of Entra's ten most valuable properties are located. Following the uncertainties from Covid-19, the activity in the transaction market was low during the spring, yields were relatively stable, and the yield gap increased. After the summer, the activity in the transaction market picked up, and a number of transactions of relevance for Entra's portfolio were completed.</p> <p>Furthermore, it was stated that the appraisals used in Entra's third quarter results were performed during August and early September, and the significant yield compression was thus only to a limited extent reflected in Entra's reported book values as of 30 September 2020. Prime yield in Oslo has fallen from around 3.60-3.70 percent to 3.25-3.30 percent during the third and fourth quarter of 2020. In addition, the increase in valuation also reflects signed leased contracts and progression on development projects to date.</p>

Date disclosed	Category	Summary of the information given
7 December 2020	Mandatory notifications	<p><u>New lease contract in St. Olavs plass 5 in Oslo</u></p> <p>It was announced that Aart Architects had signed a new lease contract for 800 sqm in St. Olavs plass 5 in Oslo. The lease contract has a duration of 10 years, starting from Q3 2022. St Olavs plass 5 is a 16,500 sqm office property where Entra has just started up a redevelopment project which will be completed in Q3 2022. The property is now 53 % pre-let.</p>
7 December 2020	Mandatory notifications	<p><u>Announcement regarding acquisition of shares in Entra</u></p> <p>The board of directors of Entra referred to the recent announcement made by Fastighets AB Balder stating that it had acquired approximately 5.1% of the shares in the Company. It was stated that the broad and increasing interest in Entra over recent weeks supported the board previously stated view that Entra was well positioned to create significant shareholder value going forward. The Board also reminded shareholders that it has initiated an updated external valuation of the group's portfolio, which is expected to be published later this week.</p> <p>Shareholders were advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests.</p>
7 December 2020	Major shareholding notifications	<p><u>Flagging notification in Entra ASA</u></p> <p>It was announced that Fastighets AB Balder on 4 December 2020 had purchased 95,334 shares in Entra ASA on Oslo Børs at a volume weighted average price of NOK 178.6264. Following the transaction, Fastighets AB Balder holds 9,200,000 shares in Entra ASA corresponding to approximately 5.1% of the share capital and votes in Entra ASA.</p>
3 December 2020	Major shareholding notifications	<p><u>Disclosure of significant shareholding under the Norwegian Securities Trading Act</u></p> <p>It was announced that BlacRock, Inc on 3 December 2020 sold 624,334 shares and voting rights in Entra ASA, resulting in a shareholding of 8,973,921 (4.93%) shares and voting rights.</p>
2 December 2020	Mandatory notifications	<p><u>Update from the board of directors on valuation of the property portfolio</u></p> <p>Reference was made to the announcements on 24 November, 26 November and 27 November 2020 by Entra regarding SBB's intention to launch a voluntary offer, Castellum AB's intention to put forward a voluntary offer, and SBB's launch of its voluntary offer, respectively.</p> <p>It was announced that Entra's board of directors, in order to provide relevant information to shareholders and the market, had instructed its independent valuers Akershus Eiendom (affiliate of JLL) and Newsec to prepare an updated valuation of the group's portfolio. Changes and events in the investment property market since the last valuation on 31 September 2020 (prepared during August and September) were expected to result in higher property valuation and a significant increase in reported net asset value for the Company. The board of directors provided an update that it would respond to SBB's offer and Castellum's intention to launch an offer in due course.</p>
30 November 2020	Mandatory notifications	<p><u>Adjustment of interest rate</u></p> <p>Entra announced a new interest rate for NO0010766363 in the period 2 December 2020 to 2 March 2021 of 1.41. Ticker: ENTRA09.</p>
27 November 2020	Additional regulated information	<p><u>Announcement regarding launch of SBB voluntary offer</u></p> <p>It was announced that the board of directors of Entra noted the launch of SBB's voluntary offer. Reference was made to Entra's announcement on 24 November regarding the board of directors' conclusion that the offer will not be recommended, and it was stated that the board would review the offer document to fully understand the terms and conditions of the offer before providing the recommendation to the shareholders as required under the Norwegian Securities Trading Act chapter 6. A reference was also made to Entra's announcement on 26 November regarding the announcement made by Castellum AB ("Castellum") on its acquisition of 8.24% of the shares in the Company from the Norwegian state and Castellum's intention to put forward a voluntary share exchange and cash offer for the Company's shares. The shareholders of Entra were advised to refrain from taking any action with respect to their shares, and to execute caution when dealing in the shares.</p>
27 November 2020	Additional regulated information	<p><u>SBB launches voluntary offer to acquire Entra ASA to create the leading European social infrastructure player - publication of combined offer document and exempted document</u></p>

Date disclosed	Category	Summary of the information given
		SBB announced the launch of the voluntary tender offer to acquire all outstanding shares in Entra ASA, not owned by persons in or from jurisdictions where making of the Offer is unlawful. Under the terms of the Offer, Entra shareholders were offered NOK 165 per Entra share, delivered as NOK 115.5 in cash and an amount of NOK 49.5 in new SBB Class B Shares. This represented a premium of 26.3% compared to Entra's three month volume-weighted average share price on 23 November 2020, and a premium of 14.8% compared to Entra's closing share price on 23 November 2020. Under the terms of the Offer, which represented an equity value of NOK 30 billion for Entra's entire share capital, Entra shareholders would receive 70% of the consideration as cash, with 30% delivered as SBB Class B Shares. The announcement set out the further details of the offer.
27 November 2020	Announcement from Oslo Børs	<p><u>Voluntary offer – offer document approved</u></p> <p>Oslo Børs announced that it, in capacity as take-over supervisory authority, had approved the offer set out in the offer document dated 26 November 2020 in respect of SBB's voluntary offer to acquire the shares in Entra ASA. The offer price was NOK 165 per share, settled through NOK 115.50 in cash and a number of SBB class B shares that represent a value of NOK 49.50, subject to certain adjustments. The offer period for the offer as announced to be from and including 27 November 2020 to 06:00 hours (CET) on 25 December 2020 (subject to extensions).</p>
26 November 2020	Inside information	<p><u>Announcement regarding acquisition of shares</u></p> <p>The board of directors of Entra referred to the recent announcement made by Castellum AB, and noted that Castellum had acquired 8.24% of the shares in the Entra from the Ministry of Trade, Industry and Fisheries, and that it had announced an intention to put forward a voluntary offer share exchange and cash offer for the Entra's shares.</p> <p>The Board further announced that it would, with the assistance of its advisors, in due time diligently consider such offer, including its financial terms, and that a further announcement would be made when appropriate.</p> <p>The board of directors advised shareholders to refrain from taking any action in respect of their shares in the Entra which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Entra. It was stated that there can be no certainty that any offer will be made.</p>
26 November 2020	Major shareholding notifications	<p><u>Shareholder disclosure in Entra ASA</u></p> <p>It was announced that the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries had entered into an agreement on 26 November 2020 to sell 15,000,000 shares in Entra, representing 8.24 % of the outstanding share capital and voting rights in the Entra, to Castellum AB.</p> <p>The shares are sold at a price of NOK 169 per share, with a potential additional compensation if Castellum AB completes a voluntary offer for all the outstanding shares in the Entra, and the offer price in a subsequent mandatory offer or a squeeze-out initiated upon completion of the voluntary offer is higher than the purchase price. In such case, Castellum AB shall compensate Ministry of Trade, Industry and Fisheries with an amount per sold share equal to the difference between such higher price and the purchase price.</p> <p>The trade date for the sale was announced to be 26 November 2020, with settlement expected to occur on 3 December 2020.</p>
26 November 2020	Major shareholding notifications	<p><u>Castellum invites Entra to join forces through Castellum making a share exchange and cash offer to Entra's shareholders</u></p> <p>The Board of Directors of Castellum Aktiebolag (publ) announced its intention to launch a share exchange and cash offer to Entra's shareholders, representing a premium of 30.8% to Entra's volume weighted average share price for the 3 month period ending 23 November 2020.</p> <p>The total offer consideration consists of a combination of newly issued shares in Castellum and cash for Entra shares. Castellum is offering 13 newly issued Castellum shares for every 20 shares in Entra and NOK 25.68 in cash per share in Entra, valuing each Entra share at NOK 170.86 at announcement of the offer, based on the last undisturbed trading price of the Castellum share on Nasdaq Stockholm on 23 November 2020. In aggregate, a total of up to 108,635,836 Castellum shares will be</p>

Date disclosed	Category	Summary of the information given
		<p>issued, and a total of up to NOK 4,292,721,751.45 will be paid in cash as consideration for Entra shares. The offer is subject to a mix & match facility.</p> <p>The Castellum shares to be offered as consideration in the offer will be ordinary shares of Castellum, to be issued as new shares in the share class of Castellum shares already listed on Nasdaq Stockholm (to be delivered as "depository receipts" in the VPS). Castellum intends to apply for a secondary listing of its shares on Oslo Børs in connection with the Offer.</p> <p>It was also announced that Castellum had acquired 15,000,000 shares in Entra at NOK 169 per Entra share in cash from The Norwegian State, represented by the Ministry of Trade, Industries and Fisheries, equal to 8.24% of Entra's issued and outstanding shares. Following such acquisition, Castellum owns 15,000,000 shares in Entra, equalling 8.24% of the total issued and outstanding shares in Entra.</p>
25 November 2020	Inside information	<p><u>Announcement regarding possible offer – update</u></p> <p>The board of directors of Entra announced, as set out on 24 November, that it has concluded that the latest offer made by SBB will not be recommended. The board of directors currently awaits the launch of the offer, as contemplated by the announcement made by SBB, to fully understand its terms and conditions in order to provide the recommendation to the Entra's shareholders as required by the Norwegian Securities Trading Act chapter 6.</p> <p>The board of directors further announced that Entra had, since 24 November, engaged in continued discussions on the non-binding proposal received from another party. Following an updated evaluation of the latest terms of such proposal, also considering the recent share price movement and the expressed support from shareholders following the announcement on a potential offer, the board of directors had concluded that the proposal at this point did not form a basis for a further process regarding a potential transaction.</p> <p>The board of directors announced that while it appreciated the strategic interest in Entra, the Board believed that Entra has a bright future as an independent company, and that it remains confident that Entra is well positioned to continue to create significant shareholder value.</p>
24 November 2020	Inside information	<p><u>Announcement regarding possible offer – receipt of alternative proposal</u></p> <p>The board of directors of Entra announced that it notes the recent announcement made by SBB, and confirmed that it had received a non-binding proposal from SBB regarding a possible offer for Entra's shares. The board of directors announced that while there had been some contact between the parties, the announcement was made without the consent of or in consultation with Entra and its board of directors.</p> <p>The board of directors of Entra further announced that it, with the assistance of its advisors, had considered the offer, including the financial terms presented therein, but concluded that it would not be recommended by the board.</p> <p>Furthermore, it was informed that Entra prior to the announcement of the offer from SBB had received a separate non-binding proposal from another party that may or may not lead to an offer for the shares in the Entra.</p>
24 November 2020	Additional regulated information	<p><u>SBB announces intention to launch a voluntary tender offer to acquire Entra ASA to create the leading European social infrastructure player</u></p> <p>It was announced that Samhällsbyggnadsbolaget i Norden AB announces its intention to launch a voluntary tender offer to acquire all the outstanding shares in Entra ASA. The key offer terms and structure were presented, and the background and transaction rationale.</p>
24 November 2020	Inside information	<p><u>Potential strategic interest in Entra</u></p> <p>The board of directors of Entra informed that it had received interest that may or may not lead to an offer for the shares in the Company, and that further announcements would be made as required. In the announcement, shareholders were advised to refrain from taking any action in respect of their shares in Entra which may be prejudicial to their interests, and to exercise caution when dealing in the shares of Entra and that there can be no certainty that any offer will be made or completed.</p>
20 November 2020	Listing/admission to trading of financial instruments	<p><u>New bond issue to be listed 23 November 2020 (ESMA category "Corporate bond")</u></p> <p>The Oslo Stock Exchange announced that Entra listed a bond under ticker ENTRAS6, with a total issued amount of NOK 400 million, tap issue. The bond loan is interest</p>

Date disclosed	Category	Summary of the information given
		bearing, from 20 November 2020, with a maturity date on 20 May 2021. The coupon rate is 0.7% p.a.
19 November 2020	Notifiable information	<u>Interest rate regulation</u> Entra announced a new interest rate for NO0010852692 in the period 23 November 2020 – 22 February 2021 of 1.21%.
18 November 2020	Additional regulated information	<u>Entra issues commercial paper</u> Entra announced the issuance of a new commercial paper with ISIN NO0010907330 with term from 20 November 2020 to 20 May 2021. The coupon is 0.70% and first tranche amounts to NOK 400,000,000.
17 November 2020	Additional regulated information	<u>Receipt of application for listing of a commercial paper (Nw. sertifikatlån)</u> The Oslo Stock Exchange announced that it had received the listing application for Entra's commercial paper with ISIN NO 0010907330.
16 November 2020	Additional regulated information	<u>New lease contract: Møllendalsveien 6-8 in Bergen, Oslo</u> Entra announced that it had signed a new lease contract with Bergen Municipality on behalf of the Norwegian Labour and Welfare Administration (NAV) for 5,600 sqm, with a lease period beginning in Q4 2021 and lasting until 2031. The property was acquired by Entra in Q4 2019, and the company will commence a redevelopment project on the property which is now 44% pre-let.
9 November 2020	Additional regulated information	<u>Acquisition of small development property at Bryn, Oslo</u> Entra announced its acquisition of Østensjøveien 29 in Oslo, which is an add-on property to the development site at Bryn in Oslo (carried out in partnership with JM Norge AS). The consideration amounted to NOK 44 million.
3 November 2020	Notifiable information	<u>Approval of prospectus</u> Entra announced that the Norwegian FSA on 31 October 2020 had approved the Base Prospectus dated 29 October 2020, which was prepared by the company in connection with the re-opening of ENTRA52G (ISIN NO0010886856) of NOK 500,000,000.
2 November 2020	Listing/admission to trading of financial instruments	<u>New bond issue to be listed on 3 November 2020 (ESMA category: "Corporate bond")</u> The Oslo Stock Exchange announced that Entra listed a bond under ticker ENTRA 55 G, with a total issued amount of NOK 1,000 million, tap issue. The bond loan is interest bearing, from 21 October 2020, with a maturity date on 21 April 2028. The coupon rate is 1.66% p.a.
2 November 2020	Additional regulated information	<u>New lease contract in St. Olavs plass 5, Oslo</u> Entra announced that Oslo Pensjonsforsikring had signed a new lease contract for 3,450 sqm in St. Olavs plass 5 at Tullinløkka in Oslo. The lease has a duration of 10 years, starting in the second half of 2022. The property was acquired by Entra in 2019, and is currently empty. Entra will start a redevelopment project on the property, to be completed in the second half of 2022. The project is 48% pre-let.
30 October 2020	Notification of trade by primary insiders	<u>Insider trading</u> Primary insider, Kjell Bjordal (vice chair in the board of directors) acquired on 30 October 2020 5,296 shares in Entra at NOK 123.90 per share. Following this trade, his stock in Entra is 50,000 shares.
21 October 2020	Additional regulated information	<u>Re-opening of 7.5 year green bond issue</u> Entra announced the re-opening of the 7.5 year green bond issue with ISIN NO0010895964, which matures on 21 April 2028, with NOK 300,000,000 at an issue price of 100.038%, equivalent to an issue-spread of 3mn NIBOR + 0.92% p.a. Following this transaction, the total amount outstanding was NOK 1,000,000,000. The proceeds from the bond issue was earmarked funding of a pool of properties with high environmental standards and a certification of minimum BREEAM In-Use Excellent.
16 October 2020	Additional regulated information	<u>New lease contract in Tordenskiolds gate 12 in Oslo (start of redevelopment project)</u> Entra announced that the law firm Schjødt AS has signed a new lease contract for 11,250 sqm. in Tordenskiolds gate 12 in Oslo. The lease has a duration of 10 years, starting from Q3 2022. Tordenskiolds gate is currently empty. The redevelopment project will be completed in Q3 2022.
16 October 2020	Additional regulated information	<u>New lease contract in Universitetsgata 7-9 in Oslo</u> Entra announced that it had signed a new lease contract with Knowit for 7,200 sqm in the new-build project in Universitetsgata 7-9, with a duration of 7 years starting from Q1 2022. The property is 86% pre-let. Knowit will move from 4,500 sqm in Entra's property Sundtkvartalet in Oslo.

Date disclosed	Category	Summary of the information given
16 October 2020	Inside information	<p><u>Q3-20: Solid growth, significant value growth</u></p> <p>Entra announced its Q3 results, including information about its rental income being up by two per cent to 589 (577) in Q3 2020. It also announced the signing and renegotiation of leases with annual rent totalling NOK 71 million (31,800 sqm) in the quarter and let letting which came in at NOK 7 million. As of 30 September 2020, the occupancy in the management portfolio was 97.4 per cent, and the average unexpired lease term of contracts was 6.9 years (also including the project portfolio). The company further announced that it had signed leases and prepared for start-up of two new redevelopment projects in Oslo.</p> <p>The Q3 report was attached to the stock exchange announcement.</p>
15 October 2020	Additional regulated information	<p><u>New 7.5 year Green Bond issue</u></p> <p>Entra announced it had issued a new 7.5 year Green Bond, on the following terms: (i) fixed rate bond with ISIN NO0010895964 and with term from 21 October 2020 to 21 April 2028. The coupon is 1.66 % p.a., which is equivalent to 3mn NIBOR + 0.94 % p.a. The first tranche amounted to NOK 700 million. The proceeds from the bond issue was earmarked funding of a pool of properties with high environmental standards and a certification of minimum BREEAM In-Use Excellent.</p>
15 October 2020	Listing/admission to trading of financial instruments	<p><u>New bond issue to be listed on 16 October 2020 (ESMA category "Corporate bonds")</u></p> <p>The Oslo Stock Exchange announced that Entra listed a bond under ticker ENTRA54, with a total issued amount of NOK 1,000 million, tap issue. The bond loan is interest bearing, from 15 October 2020, with a maturity date on 15 April 2021. The coupon rate is 0.71% p.a.</p>
14 October 2020	Additional regulated information	<p><u>Issuance of commercial paper</u></p> <p>Entra announced its issuance of a new commercial paper with ISIN NO0010895857, and a term from 15 October 2020 to 15 April 2021. The coupon being 0.71% p.a., and the first tranche amounted to NOK 400,000,000.</p>
13 October 2020	Additional regulated information	<p><u>Receipt of application for listing of a commercial paper (Nw. sertifikatlån)</u></p> <p>The Oslo Stock Exchange announced that it had received the listing application for Entra's commercial paper with ISIN NO0010895857.</p>
12 October 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010811649 in the period 14 October 2020 – 14 January 2021 of 1.02%.</p>
6 October 2020	Additional regulated information	<p><u>Extended lease contract</u></p> <p>Entra announced the extension of a lease contract with the Norwegian Police Shared Services for 2,420 sqm in Schweigaardsgate 15 B in Oslo, with a duration until January 2031.</p>
1 October 2020	Additional regulated information	<p><u>New lease in St. Olavs plass 5 in Oslo (start of redevelopment project)</u></p> <p>Entra announced that WSP Norway has signed a new lease contract for 3,770 sqm at St. Olavs plass 5, with a duration of 10 years starting in the second half of 2022. The property was acquired by Entra in 2019, and is currently empty. The redevelopment project will be completed in the second half of 2022.</p>
29 September 2020	Additional regulated information	<p><u>Extended lease contract</u></p> <p>Entra announced an extension of a lease contract with Vestre Viken HF for 3,540 sqm in Konggata 51 in Drammen, with a duration until October 2026.</p>
25 September 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010886856 in the period 29 September 2020 – 29 December 2020 of 1.41%.</p>
18 September 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010774797 in the period 22 September 2020 – 22 December 2020 of 1.21%.</p>
17 September 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010789464 in the period 21 September 2020 – 21 December 2020 of 1.13%.</p>
16 September 2020	Additional regulated information	<p><u>Re-opening of green bond issue ENTRA52 G</u></p> <p>Entra announced the re-opening of the green bond issue ENTRA52 G with ISIN NO0010886856, which matures on 29 June 2027, with NOK 500,000,000 at an issue price of 101.324%, equivalent to an issue-spread of NIBOR 3M +0.90%. Following this transaction, the total amount outstanding was NOK 2,000,000. The proceeds</p>

Date disclosed	Category	Summary of the information given
		from the bond issue was earmarked funding of a pool of properties/projects with high environmental standards and a certification from BREEAM with a minimum certification of "excellent".
14 September 2020	Additional regulated information	<u>Extended lease contract</u> Entra announced an extension of a lease contract with University of South-Eastern Norway for 19,000 sqm at Papirbredden (Grønland 58 and Grønland 51) in Drammen, with a duration until June 2037.
31 August 2020	Notifiable information	<u>Interest rate regulation</u> Entra announced a new interest rate for NO0010766363 in the period 2 September 2020 – 2 December 2020 of 1-28%.
20 August 2020	Notifiable information	<u>Interest rate regulation</u> Entra announced a new interest rate for NO0010852692 in the period 28 August 2020 – 23 November 2020 of 1.07%.
20 August 2020	Listing/admission to trading of financial instruments	<u>New bond issue to be listed on 21 August 2020 (ESMA category "Corporate bonds")</u> The Oslo Stock Exchange announced that Entra listed a bond under ticker ENTRA53, with a total issued amount of NOK 400 million, tap issue. The bond loan is interest bearing from 20 August 2020, with a maturity date on 20 January 2021. The coupon rate is 0.67% p.a.
19 August 2020	Additional regulated information	<u>Receipt of application for listing of bonds</u> The Oslo Stock Exchange announced that it had received the listing application for Entra's bonds with ISIN NO0010891260.
18 August 2020	Additional regulated information	<u>Issuance of commercial paper</u> Entra announced its issuance of a new commercial paper with ISIN NO0010891260, and a term from 20 August 2020 to 20 January 2021. The coupon being 0.67% p.a., and the first tranche amounted to NOK 400,000,000.
13 August 2020	Listing/admission to trading of financial instruments	<u>New bond issue to be listed on 14 August 2020 (ESMA category "Corporate bonds")</u> The Oslo Stock Exchange announced that Entra listed a bond under ticker ENTRA52 G, with a total issued amount of NOK 1,500 million, tap issue. The bond loan is interest bearing, from 29 June 2020, with a maturity date on 29 June 2027. The coupon rate is 0.71% p.a (3M NIBOR + 1.1%).
10 July 2020	Notifiable information	<u>Interest rate regulation</u> Entra announced a new interest rate for NO0010811649 in the period 14 July 2020 – 14 October 2020 of 1.04. Ticker ENTRA27.
10 July 2020	Additional regulated information	<u>Cash dividend</u> Entra announced key information relating to the cash dividend payable to shareholders (last date including right 1 October 2020, ex-date 2 October 2020, record date 5 October 2020), with a dividend of NOK 2.40 per share. The dividend was to be distributed in October 2020, pursuant to the general meeting's approval on 9 July 2020.
10 July 2020	Inside information	<u>Q2-20: Solid performance in a challenging period</u> Entra announced the publication of its Q2 2020 report. It was informed that Entra's rental income and results from property management to a limited extent had been impacted by the Covid-19 situation in the second quarter. Rental income was up by 1% to 587 million in Q2 and by 1% to 1,174 million for the first six months of 2020, compared to the same period in 2019. Net income from property management came in at 350 million in the quarter and 706 million for the first six months. Entra also announced that the board of directors had proposed to pay dividend, and that it had signed and renegotiated leases with annual rent totalling NOK 95 million (40,700sqm) in the quarter and that net letting came in at 14 million. As of 30 June 2020, the portfolio occupancy was 97.6 per cent and the average unexpired lease term of contracts was 6.8 years.
1 July 2020	Additional regulated information	<u>New lease in Hagegata 22-24 in Oslo</u> Entra announced that it had signed a new lease with Oslo Municipality for 10,100 sqm in Hagegata 22-24 at Tøyen, with a duration of 10 years starting from August 2021.
25 June 2020	Additional regulated information	<u>Repurchase of ENTRA09</u> Entra announced NOK 293 million repurchase of ENTRA09 (ISIN NO0010766363), with maturity date 2 June 2021. Following this transaction, the total amount outstanding was NOK 812 million.

Date disclosed	Category	Summary of the information given
25 June 2020	Additional regulated information	<p><u>New 7-year green bond issue</u></p> <p>Entra announced that it had issued a new 7 year green bond with ISIN NO0010886856, with a term from 29 June 2020 to 29 June 2027. The coupon is 3m NIBOR + 1.10% p.a. and the first tranche amounted to NOK 1.5 billion. The proceeds from the bond issue was earmarked funding of a pool of properties/projects with high environmental standards and a certification from BREEAM with a minimum certification of "excellent".</p>
25 June 2020	Additional regulated information	<p><u>Contemplated green bond issue</u></p> <p>Entra announced that it had investigated the opportunity to issue green bonds, in particular a NOK-denominated senior unsecured green bond transaction with expected tenor of 7 years.</p>
25 June 2020	Additional regulated information	<p><u>Green bond report 2019</u></p> <p>Entra announced the publication its green bond report 2019.</p>
18 June 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010774797 in the period 22 June 2020 – 22 September 2020 of 1.31%. Ticker ENTR12 G.</p>
18 June 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010789464 in the period 22 June 2020 – 21 September 2020 of 1.23%. Ticker ENTR20 G.</p>
18 June 2020	Additional regulated information	<p><u>Extended lease contract</u></p> <p>Entra announced an extension of the lease for Langkaia 1 in Oslo with 1,440 sqm, with a duration of 9.5 years starting from May 2021.</p>
10 June 2020	Listing/admission to trading of financial instruments	<p><u>New bond issue to be listed on 11 June 2020 (ESMA category "Corporate bonds")</u></p> <p>The Oslo Stock Exchange announced that Entra listed a commercial paper under ticker ENTR51, with a total issued amount of NOK 400 million, tap issue. The commercial paper is interest bearing from 10 June 2020, with a maturity date on 10 December 2020. The coupon rate is 0.71% p.a.</p>
8 June 2020	Additional regulated information	<p><u>Issuance of commercial paper</u></p> <p>Entra announced its issuance of a new commercial paper with ISIN NO0010884992, and with a term from 10 June 2020 to 10 December 2020. The coupon is 0.71% p.a. and the first tranche amounted to NOK 400,000,000.</p>
8 June 2020	Additional regulated information	<p><u>Receipt of application for listing of bonds</u></p> <p>The Oslo Stock Exchange announced that it had received the listing application for Entra's bonds with ISIN NO0010884992.</p>
4 June 2020	Additional regulated information	<p><u>First Norwegian company with a Shades of Green Assessment from CICERO</u></p> <p>Entra announced that it was the first company in Norway to have its revenues, assets and governance structure evaluated on a scale from dark green to dark brown according to the new Shared of Green methodology. The methodology is based on a solid quantitative and qualitative analysis of a company's entire business, where both revenues and investments are classified with a shade of green (or brown) depending on how they align with a carbon-neutral future. CICERO has also evaluated the company's sustainability strategy, governance structure and climate risk adaptation. CICERO is Norway's foremost institute for interdisciplinary climate research.</p>
28 May 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010766363 in the period 2 June 2020 – 2 September 2020 of 1.33%. Ticker ENTR09.</p>
28 May 2020	Additional regulated information	<p><u>New lease contract in Grønland 31 in Drammen</u></p> <p>Entra announced that Vestre Viken HF had signed a new lease for 5,000 sqm in Grønland 32, with a duration of 10 years starting from June 2021.</p>
26 May 2020	Notifiable information (trade in treasury shares)	<p><u>Purchase of own shares</u></p> <p>Entra announced the purchase of 30,000 own shares at an average price of NOK 127.9 in connection with the share savings scheme for employees. Following the purchase, Entra held 105,507 shares in treasury.</p>
25 May 2020	Notifiable information (trade in treasury shares)	<p><u>Purchase of own shares</u></p> <p>Entra announced the purchase of 65,000 own shares at an average price of NOK 125.8 in connection with the share savings scheme for employees. Following the purchase, Entra held 75,507 shares in treasury.</p>

Date disclosed	Category	Summary of the information given
20 May 2020	Notification of trade by primary insiders	<p><u>Share savings scheme for employees – purchase of own shares and allocation to primary insiders</u></p> <p>In connection with the offer to purchase shares of up to NOK 150,000 at a 20% discount given to all employees of the Entra Group, Entra announced that it will purchase shares for allocation to the 100 participating employees in the market (in total 103,774 shares). Pursuant to the share saving scheme approved by the general meeting on 30 April 2020, the offer price was NOK 97.60 per share and was calculated as the dividend adjusted volume weighted average share price in the period from 30 March to 29 April 2020 minus a 20 % discount. Several primary insiders (bord members and members of management) participated in the share savings scheme and were allocated shares.</p>
20 May 2020	Listing/admission to trading of financial instruments	<p><u>New bond issue to be listed 22 May 2020</u></p> <p>The Oslo Stock Exchange announced that Entra will list a new bond issue on 22 May 2020 under ticker ENTRA50, with a total issued amount of NOK 400 million, tap issue. The bond is interest bearing from 20 May 2020, with a maturity date on 20 November 2020. The coupon rate is 0.78% p.a.</p>
19 May 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010852692 in the period 22 May 2020 – 24 August 2020 of 1.09%. Ticker ENTRA44 G.</p>
18 May 2020	Additional regulated information	<p><u>Issuance of commercial paper</u></p> <p>Entra ASA has issued a new commercial paper ISIN NO0010883333 with term from 20 May 2020 to 20 September 2020. The coupon is 0.78 % p.a. and first tranche amounts to NOK 400,000,000.</p>
4 May 2020	Notifiable information	<p><u>Ex dividend NOK 2.40 today</u></p> <p>Entra announced that the shares in Entra will be traded ex dividend NOK 2.40 as of 4 May 2020.</p>
30 April 2020	Inside information	<p><u>Q1-20: Strong position in a challenging period</u></p> <p>Entra announced the publication of its Q1 report. It was informed that Entra's rental income and results from property management only to a limited extent had been impacted by the situation in the first quarter. Rental income came in at 587 million in Q1 2020 compared to 585 million in Q1 2019. Net income from property management was 357 million (375 million). External valuations obtained as of Q1 2020 implied increasing the market value of the property portfolio with 1.2 bn, not taking into account any potential effects of the COVID-19 pandemic and recent oil price development. Due to the material uncertainty of the effects of these events on the economy Entra had chosen to base the fair value of the property portfolio on the valuations obtained as of year-end 2019. Net changes in value of financial instruments was -337 million (-22 million) in the quarter, mainly due to the recent sharp reduction in market interest rates leading to a net liability increase on interest rate derivatives. Profit before tax came in at 58 million (857 million) in the quarter.</p> <p>It was also announced that Entra had signed new and renegotiated leases with annual rent totalling 86 million (36,400 sqm) in the quarter. As of 31.03.20 the portfolio occupancy was 97.4 per cent (96.3 per cent), and the average unexpired lease term of contracts was 7.0 (7.2) years.</p> <p>The Q1 report was attached to the stock exchange announcement.</p>
17 April 2020	Listing/admission of securities	<p><u>New bond issue to be listed 20 April 2020</u></p> <p>The Oslo Stock Exchange announced that Entra will list a new bond issue on 20 April 2020 under ticker ENTRA49, with a total issued amount of NOK 400 million, tap issue. The bond is interest bearing from 17 April 2020, with a maturity date on 15 October 2020. The coupon rate is 1.65% p.a.</p>
15 April 2020	Additional regulated information	<p><u>Received application for listing of bonds</u></p> <p>The Oslo Stock Exchange announced that it had received an application for listing of Entra's bonds with ISIN NO0010878895.</p>
14 April 2020	Additional regulated information	<p><u>Entra issues commercial paper</u></p> <p>Entra announced the issuance of a new commercial paper ISIN NO0010878895 with term from 17 April 2020 to 15 October 2020. The coupon is 1.65 % p.a. and first tranche amounts to NOK 400,000,000.</p>
7 April 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010811649 in the period 14 April 2020 – 14 July 2020 of 1.63%. Ticker ENTRA27.</p>

Date disclosed	Category	Summary of the information given
6 April 2020	Additional regulated information	<p><u>New lease contract in Langkaia 1 in Oslo</u></p> <p>Entra announced its signing of a new lease contract with The Norwegian National Security Authority for 1,120 sqm in Langkaia 1 in Oslo. The lease contract has a duration of 10 years, starting from December 2020.</p>
6 April 2020	Additional regulated information	<p><u>Effect on business operations as a result of COVID-19</u></p> <p>A short update and assessment of the key drivers that impact Entra, was announced, in light of the volatile market environment. Entra informed that their top priority was to safeguard life and health and help reduce the spread of infection.</p> <p>If was informed that Entra's tenant base is strong with a solid backbone of public tenants comprising around 60 % of its revenues. Around 10 % of Entra's rental income stems from industries that are most affected by the current situation. As of 31 December 2019, Entra's portfolio was 97 % let with an average lease length of seven years.</p> <p>Furthermore, Entra announced that it was following up companies that are affected by the authorities' closure decisions and the COVID-19 situation individually. Entra informed that in the first instance, Entra will help tenants who are affected by changing payment schemes from upfront, quarterly to monthly invoices or giving monthly postponements on rent. If the situation persists, Entra announced an ambition to facilitate targeted support to customers particularly affected by the COVID-19 situation and thus help them to return to normal operations after this demanding period.</p> <p>Entra also announced that some delays was expected in its three ongoing development projects, due to delays in the supply chain. As Entra's construction contracts are fixed price, the effect for Entra might be delayed cash flow from future rental income. Entra also informed about potential delayed start-up of some of its planned projects.</p> <p>Entra also informed that rental income for Q1 2020 to a limited extent had been impacted by the COVID-19 situation.</p> <p>Additionally, it was informed that Entra's financial position was strong, and an overview of Entra's debt maturities and financing status as of 31 December 2019 was enclosed.</p>
1 April 2020	Additional regulated information	<p><u>New lease contract for Langkaia 1 in Oslo</u></p> <p>Entra announced a new lease contract with a public tenant for 2,380 sqm in Langkaia 1 in Oslo was signed. The lease contract has a duration of 10 years, starting from December 2020.</p>
30 March 2020	Major shareholding notification	<p><u>Flagging in Entra</u></p> <p>It was announced that Folketrygdfondet acquired 16,804 shares in Entra, and as a result owns 18,217,557 shares in Entra, corresponding to an ownership interest of 10.0 %.</p>
27 March 2020	Mandatory notification of trade primary insiders	<p><u>Allocation of shares in connection with long-term incentive program for senior management</u></p> <p>Entra announced an allocation of a total of 12,503 shares under the long-term incentive program for senior management for 2019. Post allocation of shares Entra will hold 10,507 own shares</p>
25 March 2020	Prospectus/admission document	<p><u>Approval of prospectus</u></p> <p>Entra announced that the Norwegian FSA on 25 March 2020 had approved a prospectus dated, which was prepared by the company in connection with the re-opening of ENTRA44 G (ISIN NO0010852692) of NOK 450,000,000.</p>
23 March 2020	Mandatory notification of trade primary insiders	<p><u>Mandatory notification of trade</u></p> <p>Entra announced that Widar Salbuviik, board member of Entra ASA, on 23 March 2020 through his 10 % owned (90 % of votes) company Breiangen AS bought 10.000 shares in Entra ASA at a price of NOK 108,4649 per share. Breiangen AS owns 10.000 other shares in Entra ASA. As a result the holding is 20.000 shares.</p>
23 March 2020	Mandatory notification of trade primary insiders	<p><u>Insider trade</u></p> <p>Kjell Bjordal, the deputy chair of Entra, bought 5000 shares in Entra ASA through a company Bjordal has controlling interest in. New holding is 49,704 shares in Entra.</p>
19 March 2020	Notifiable information	<p><u>Interest rate regulation</u></p> <p>Entra announced a new interest rate for NO0010774797 in the period 22 March 2020 – 22 June 2020 of 2.29%. Ticker ENTRA12 G.</p>

Date disclosed	Category	Summary of the information given
18 March 2020	Notifiable information	<u>Interest rate regulation</u> Entra announced a new interest rate for NO0010789464 in the period 20 March 2020 – 22 June 2020 of 2.14%. Ticker ENTRA20 G.
13 March 2020	Inside information	<u>Annual report for 2019</u> Entra announced the publication of its annual report for 2019. The report was attached to the announcement, and it was informed that the report was available on Entra's website.
27 February 2020	Notifiable information	<u>Interest rate regulation</u> Entra announced a new interest rate for NO0010766363 in the period 2 March 2020 – 2 June 2020 of 2.79%. Ticker ENTRA09.
20 February 2020	Notifiable information	<u>Interest rate regulation</u> Entra announced a new interest rate for NO0010852692 in the period 24 February 2020 – 22 May 2020 of 2.58%. Ticker ENTRA44 G.
14 February 2020	Listing/admission of securities	<u>New bond issue to be listed 17 February 2020</u> The Oslo Stock Exchange announced that Entra will list a new bond issue on 17 February 2020 under ticker ENTRA48, with a total issued amount of NOK 400 million, in tap issue. The bond is interest bearing from 14 February 2020, with a maturity date on 20 August 2020. The coupon rate is 1.97% p.a.
12 February 2020	Additional regulated information	<u>Issuance of commercial paper</u> Entra announced the issuance of a new commercial paper ISIN NO001087525 with term from 14 February 2020 to 20 August 2020. The coupon is 1.97% p.a. and the first tranche amounted to NOK 400,000,000.
7 February 2020	Additional regulated information	<u>New lease contract in Akersgata 51 in Oslo</u> Entra announced that it had signed a new lease with Centre Party for 1,000 sqm. in Akersgata 51, with a duration of 10 years starting from June 2020.
7 February 2020	Additional regulated information	<u>Key information relating to proposed cash dividend</u> Entra announced key information related to the proposed cash dividend of NOK 2.40 per share (semi-annual), where the last day including dividend right was 30 April 2020 – being the same date as the expected dividend approval by the annual general meeting. The payment date is set to 12 May 2020.
7 February 2020	Inside information	<u>Strong letting, proposing semi-annual dividend of NOK 2.40 per share</u> Entra announced its Q4 2019 results, including information about its rental income being up by 5% in Q4 2019. It also announced the signing and renegotiation of leases with annual rent totalling NOK 208 million in the quarter (90,000 sqm) and NOK 371 in 2019 (160,000 sqm). As of 31 December 2019, the portfolio occupancy was 97.1% and the average unexpired lease term of contracts was 6.9 years. Entra further announced that it during the quarter had finalised three development projects: (i) Tullinkvartalet UiO, Oslo, a new 23,000 sqm campus building for the University of Oslo's Faculty of Law; (ii) Tollbugata 1A, Oslo, a 9,000 sqm redevelopment project which was forward sold to Aberdeen, and (iii) Brattørkaia 12 in Trondheim, a 2,000 sqm office property. Entra also announced the proposed dividend payment for 2019. The Q4 report was attached to the stock exchange notice.
5 February 2020	Additional regulated information	<u>Extended lease contract in Fredrik Selmers vei 4 in Oslo</u> Entra announced that the Norwegian Tax Authority had extended its lease with an additional 1,500 sqm in Fredrik Selmers vei 4. The lease has a duration of 8.5 years starting from May 2020. The property in Fredrik Selmers vei 4 is fully let to the Norwegian Tax Authority.
4 February 2020	Additional regulated information	<u>Re-opening of green bond issue ENTRA44 G</u> Entra announced its re-opening of the green bond issue ENTRA44 G (ISIN NO0010852692, maturity 22 May 2025), with NOK 450,000,000 at an issue price of 101.121%, equivalent to an issue spread of NIBOR 3M + 0.61%. Following this transaction, the total amount outstanding was NOK 1,450,000,000. The proceeds from the bond issue is earmarked funding of a pool of properties with high environmental standards and a certification of minimum BREEAM NOR Excellent or BREEAM In-Use Excellent.
28 January 2020	Additional regulated information	<u>New lease contract in Trondheim</u> Entra announced that Trondheim Municipality had signed a new lease for 1,300 sqm in Prinsens gate 1 in Trondheim, with a duration of 15 years starting from September 2020.

Date disclosed	Category	Summary of the information given
28 January 2020	Additional regulated information	<u>Re-opening of green bond issue ENTR20 G</u> Entra announced its re-opening of the green bond issue ENTR20 G (ISIN NO0010789464, maturity 20 March 2024), with NOK 195,000,000 at an issue price of 101.341%, equivalent to an issue-spread of NIBOR 3M + 0.53%. Following this transaction, the total amount outstanding was NOK 1,195,000,000. The proceeds from the bond issue is earmarked funding of a pool of properties with high environmental standards and a certification of minimum BREEAM NOR Excellent.
28 January 2020	Additional regulated information	<u>Repurchase of ENTR209</u> Entra announced its repurchase of NOK 195,000,000 of ENTR209 (ISIN NO0010766363 maturity 02 June 2021). Following this transaction, the amount outstanding was NOK 1,105,000.
23 January 2020	Listing/admission of securities	<u>New bond issue to be listed 24 January 2020</u> The Oslo Stock Exchange announced that Entra will list a new bond issue on 24 January 2020 under ticker ENTR47, with a total issued amount of NOK 400 million, in tap issue. The bond is interest bearing from 23 January 2020, with a maturity date on 10 June 2020. The coupon rate is 2.02% p.a.
21 January 2020	Additional regulated information	<u>Renewed lease contracts in Oslo</u> Entra announced the renewal of the following leases: (i) lease with Norsk Helsenett and the Norwegian Directorate for e-health in Verkstedveien 1 for three and five years, respectively. The renewed leases are for 12,220 sqm and will expire in February 2026; and (ii) lease with Gule Sider for 2,340 sqm in Langkaia 1, with a duration of four years starting from March 2020.
21 January 2020	Additional regulated information	<u>Receipt of application for listing of bonds</u> The Oslo Stock Exchange announced that it had received the listing application for Entra's bonds with ISIN NO0010873839.
20 January 2020	Additional regulated information	<u>Issuance of commercial paper</u> Entra announced the issuance of a new commercial paper with ISIN NO0010873839, with term from 23 January 2020 to 10 June 2020. The coupon is 2.02% p.a. and the first tranche amounted to NOK 400,000,000.

4.5 Selected financial information and auditor

4.5.1 Introduction

The tables provided in this Section 4.5 "Selected financial information and auditor" provide a summary of the income statement, statement of financial position, cash flow statement and selected key figures for the Entra Group for the 12 months period ended 31 December 2019 and the nine months period ended 30 September 2020, as well as segment reporting published by the Entra Group for the financial year ended 31 December 2019. The financial information has been prepared in accordance with International Financial Reporting Standards (IFRS).

The Entra financial statements, as of and for the 12 months period ended 31 December 2019, as well as the interim financial statements as of, and for the three and nine months period ended 30 September 2020, with comparable information for the same interim period in 2019, have been incorporated by reference hereto. See Section 17.2 "Incorporated by reference".

4.5.2 Summary statement of comprehensive income for the Entra Group

Set out below is a summary of the Entra Group's consolidated statement of comprehensive income for the financial periods set out therein.

	30 September 2020	31 December 2019
NOK million	unaudited	Audited
Rental income.....	589	2 338
Operating costs.....	(46)	(189)
Net operating income.....	543	2,149
Other revenue	31	300
Other costs.....	(20)	(260)
Administrative costs	(42)	(171)

	30 September 2020	31 December 2019
<i>NOK million</i>	<i>unaudited</i>	<i>Audited</i>
Share of profit from associates and JVs	53	312
Net realized financials	(129)	(551)
Net income	435	1,780
- of which net income from property management.....	383	1,471
Changes in value of investment properties	892	1,909
Changes in value of financial instruments	26	46
Profit before tax	1,354	3,735
Tax payable	(3)	(11)
Change in deferred tax	(283)	(498)
Profit for the year	1,068	3,225
Actuarial gains and losses	0	5
Change in deferred tax on comprehensive income	0	(1)
Total comprehensive income for the year	1,068	3,229
Profit attributable to:		
Equity holders of the Company	990	2,946
Non-controlling interest.....	78	279
Total comprehensive income attributable to:		
Equity holders of the Company	990	2,949
Non-controlling interest.....	78	279
Earnings per share:		
Continuing operations		
Basic=Diluted (NOK).....	-	16

4.5.3 Summary statement of financial position for the Entra Group

Set out below is a summary of the Entra Group's consolidated statement of financial position for the financial periods set out therein.

	As at 30 September 2020	As at 31 December 2019
<i>NOK million</i>	<i>unaudited</i>	<i>Audited</i>
Non-current assets:		
Intangible assets	117	117
Investment properties.....	51,965	49,095
Other operating assets.....	18	22
Investments in associates and JVs.....	500	397
Financial derivatives	443	274
Long-term receivables and other assets	314	256
Total non-current assets	53,355	50,161
Inventory properties	418	413
Investment properties held for sale	-	-
Trade receivables	66	43
Other receivables and other current assets	300	226
Cash and bank deposits	302	317
Total current assets	1,086	998
Total assets	54,441	51,160

	As at 30 September 2020	As at 31 December 2019
<i>NOK million</i>	<i>unaudited</i>	<i>Audited</i>
Equity and liabilities:		
Shareholders' equity	23,427	22,570
Non-controlling interests	2,016	1,947
Total equity	25,442	24,517
Liabilities:		
Interest-bearing debt	18,244	17,362
Deferred tax liability	5,856	5,367
Financial derivatives	849	341
Other non-current liabilities	495	505
Total non-current liabilities	25,444	23,576
Interest bearing debt	2 444	2,539
Trade payables	252	200
Other current liabilities	859	328
Total current liabilities	3,555	3,067
Total liabilities	28,999	26,642
Total equity and liabilities	54,441	51,160

4.5.4 Summary statement of cash flow for the Entra Group

Set out below is a summary of the Entra Group's consolidated cash flow statement for the financial periods set out therein.

	30 September 2020	31 December 2019
<i>NOK million</i>	<i>(unaudited)</i>	<i>(Audited)</i>
Cash flows from operating activities:		
Profit before tax	1,354	3,735
Income tax paid	0	(11)
Net expensed interest and fees on loans and leases	129	551
Net interest and fees paid on loans and leases	(106)	(582)
Share of profit from associates and jointly controlled entities	(53)	(312)
Depreciation and amortization	1	8
Changes in value of investment properties	(892)	(1,909)
Changes in value of financial instruments	(26)	(46)
Change in working capital	155	(81)
Net cash flows from operating activities	561	1,352
Cash flows from investment activities:		
Proceeds from property transactions	0	1,619
Purchase of investment properties	(134)	(1,241)
Investment in and upgrades of investment properties	(367)	(1,427)
Investment in properties for sale and inventory properties	(3)	(192)
Purchase of intangible and other non-current assets	(2)	(35)
Net payment financial assets	1	(23)
Net payment of loans to associates and JVs	(1)	1

	30 September 2020	31 December 2019
NOK million	(unaudited)	(Audited)
Net payments in associates and JVs.....	0	(16)
Dividends from associates and JVs	0	308
Net cash flows from investment activities.....	(505)	(1,005)
Cash flows from financing activities:		
Proceeds interest bearing debt.....	3,000	16,430
Repayment interest bearing debt	(3,010)	(15,699)
Repayment of lease liabilities.....	(2)	(9)
Proceeds from issue of shares/repurchase of shares	0	(69)
Dividends paid	0	(840)
Dividends paid to non-controlling interests	0	(75)
Net cash flow from financing activities.....	(12)	(260)
Change in cash and cash equivalents	44	87
Cash and cash equivalents at beginning of period.....	259	230
Cash and cash equivalents at end of period.....	302	317

4.5.5 Segment reporting for the Entra Group

The Entra Group has one main operational unit, led by the Chief Operating Officer. The property portfolio is divided into six different geographic areas in Oslo, Sandvika, Drammen, Stavanger, Bergen and Trondheim. Set out below is an overview of the breakdown of total revenues by the Entra Group's operating reporting segments, including its six geographic areas. The information has been extracted from note 6 of the Entra Group's financial statements as of, and for the year ended, 31 December 2019 (with comparable information for the previous financial year).

All amounts in NOK million

	No. of properties	Area	Occupancy	Wault	Market value		12 month rolling rent		Net yield	Market rent	
31.12.2019	(#)	(sqm.)	(%)	(yrs)	(NOKm)	(NOK/sqm.)	(NOKm)	(NOK/sqm.)	(%)	(NOKm)	(NOK/sqm.)
Oslo	35	583 428	97.1	6.7	28 163	48 272	1 380	2 365	4.5	1 545	2 647
Trondheim	11	154 776	95.2	7.2	4 506	29 111	255	1 648	5.3	272	1 760
Bergen	8	119 533	95.6	6.0	4 794	40 105	239	1 999	4.6	278	2 327
Sandvika	9	98 961	99.8	8.4	2 922	29 528	173	1 747	5.5	150	1 521
Stavanger	5	78 607	99.4	7.2	2 293	29 174	142	1 808	5.8	133	1 691
Drammen	8	70 422	98.1	6.2	2 085	29 611	129	1 825	5.8	121	1 720
Total management portfolio	76	1 105 727	97.1	6.8	44 764	40 483	2 318	2 096	4.8	2 500	2 261
Project portfolio	7	107 201		9.5	3 368	31 420					
Regulated development sites	6	114 859		0.3	832	7 248					
Total property portfolio	89	1 327 787		6.9	48 964	36 877					

The calculation of net yield is based on the valuers' assumption of ownership costs, which at 31.12.19 corresponds to 7.6 per cent of market rent.

The Entra Group's 20 largest tenants accounts for approximately 40 per cent of the Entra Group's total rental income. The Entra Group does not have any tenants contributing to more than 10 per cent of the Entra Group's rental income.

All amounts in NOK million

	No. of properties	Area	Occupancy	Wault	Market value		12 month rolling rent		Net yield	Market rent	
31.12.2018	(#)	(sqm.)	(%)	(yrs)	(NOKm)	(NOK/sqm.)	(NOKm)	(NOK/sqm.)	(%)	(NOKm)	(NOK/ sqm.)
Oslo	40	611 397	96.6	6.0	27 110	44 341	1 427	2 334	4.8	1 521	2 488
Trondheim	9	133 668	97.4	7.7	3 790	28 351	230	1 718	5.5	231	1 729
Bergen	7	104 986	93.2	7.4	3 912	37 258	206	1 966	4.8	233	2 222
Sandvika	9	98 733	99.4	9.2	2 865	29 022	170	1 726	5.5	144	1 459
Stavanger	5	78 612	95.8	8.5	2 175	27 668	140	1 783	6.0	127	1 610
Drammen	8	70 405	98.4	6.9	2 024	28 753	128	1 815	5.9	114	1 621
Total management portfolio	78	1 097 801	96.5	6.7	41 876	38 145	2 302	2 097	5.1	2 370	2 159
Project portfolio	7	103 322		17.1	3 065	29 666					
Regulated development sites	7	97 859		0.4	689	7 043					
Total property portfolio	92	1 298 982		7.4	45 630	35 128					

4.5.6 Auditor

The registered independent auditor of Entra is Deloitte AS (reg. no. 980 211 282), with registered address at Dronning Eufemias gate 14, N-0191 Oslo, Norway. Deloitte AS has not audited any information included in this Offer Document. The partners of Deloitte AS are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening).

5 Industry overview

5.1 Introduction – sources of information

Some of the information provided below has been obtained from third parties, including publicly available industry publications and industry reports. SBB deems these industry publications and industry reports to be reliable, but SBB has not independently verified them and cannot guarantee their accuracy or completeness. Information that has been provided by third parties has been accurately reproduced and, as far as SBB is aware and is able to ascertain through comparisons with other information published by the third parties concerned, no details have been omitted in a way that could render the information reproduced inaccurate or misleading.

In addition, SBB has made a number of statements in the Offer Document in respect of its industry and its competitive position within the industry. These statements are based on SBB's experience and its own investigation of market conditions. SBB cannot guarantee that any of these assumptions are accurate or that they correctly reflect its market position in the industry and SBB cannot fully guarantee that internal investigations or information has been verified by independent sources, which may have estimates or opinions regarding industry-related information that is different from SBB's.

The forecasts and forward-looking statements set out in this section are no guarantee of future outcomes and actual events, and circumstances may deviate substantially from current expectations. A number of factors can cause or contribute to such deviations, some or all of which may be beyond the control of SBB. See for example Section 1 "Risk factors".

5.2 Macroeconomic overview

5.2.1 The global economy

The macroeconomic development during the last quarter has continued to revolve around Covid-19, as there continues to be global health crisis, impacting both the individual as well as the economy. After several major economies experienced strong negative developments in Q2, the situation stabilized and the recovery began in Q3. During Q4, there has been a resurgence of Covid-19 cases.

The lockdown hit the U.S. economy substantially, with GDP falling by 9.5 per cent, the strongest downturn in modern history. At the end of April, unemployment was close to 15 per cent in the United States. Unemployment is expected to remain at high levels of around 10 per cent at year-end¹⁶.

After the strong economic downturn in the USA in Q2, recovery has occurred quicker than expected, though it will take time until the economy is back at the same levels as before the Covid-19 virus. Stimulus policies have supported households which has helped to drive private consumption, while foreign trade and industry remains weak. In its latest macroeconomic forecasts, IMF forecasts GDP growth of -4.30 per cent in the United States in 2020, with recovery expected to begin in 2021¹⁷. However, the recovery is expected to occur stage wise, and it will take until the end of 2022 for GDP to be back at the same levels as before the Covid-19 outbreak.

In the Eurozone, GDP fell substantially during spring, but the past few months have provided some indications of a brighter future outlook, in connection with economies re-opening after earlier lockdowns, although certain economies are subject to lockdowns again. Regional differences are substantial, with primarily large differences in growth between the north and south. Spain's GDP fell by 24 per cent in the first half-year, which can be compared to Germany's 12 per cent. The extent and duration of the lockdowns have been strong factors contributing to the state of economic development. In its latest macroeconomic forecast in September, SEB forecasts GDP growth of -8.80 per cent in the Eurozone in 2020, to then see a strong recovery with GDP growth of 6.70 per cent in 2021.¹⁸ The recovery will be driven by household consumption, while industry will see a slower return to normality, which will dampen the bounce back in the economy somewhat.

Despite increased spread of the virus, the recovery in the Swedish economy has occurred quicker than earlier expectations. Swedish GDP decline in Q2 was not as negative as expected, and since then, recovery has been strong across most sectors. Less strict restrictions than those seen globally contributed to growth in Swedish GDP ending at -8.30 per cent in the first half of 2020, which can be compared to -15.30 per cent in the Eurozone. In 2020 as a whole, the decline in GDP in Sweden will be milder than earlier indications, and according to Oxford Economics latest

¹⁶ Federal Reserve, October 2020.

¹⁷ IMF, October 2020.

¹⁸ SEB, October 2020

macroeconomic forecast will amount to -3.40 per cent, which can be compared to earlier forecasts of -5.00 per cent¹⁹. Policies enacted during the crisis have put a damper on growing unemployment, and public debt has not risen by as much as was expected earlier. The state subsidies which have been introduced during the crisis have been utilized to a lesser degree than forecasted, which means that the state's finances have experienced less strain than expected. This allows room for further stimulus, creating opportunities to keep up inflation in Sweden.

The industrial and export sector was initially hit hard by the outbreak of the Covid-19 pandemic, but has recovered in Q3. At year-end, industrial and manufactured goods exports are expected to be back at the same levels as before the spread of the Covid-19 virus. A strong recovery for industry significantly impacts GDP and helps to partly explain the more optimistic future outlook for Swedish GDP growth compared to that seen last quarter.

Owing to increased unemployment and weak real wage growth, real disposable income should fall substantially, but the political financial stimulus that has been introduced is supporting purchasing power. Real household purchasing power is therefore expected to fall by just 1 per cent in 2020 as a whole, and strong financial politics are expected to lead to an increased real income in 2021²⁰. Private consumption will, however, suffer more, after strong falls in household consumption in the first half-year. Despite experiencing some recovery in Q3, private consumption is expected to remain at negative levels for 2020 as a whole.

A continually weakening SEK has served to drive up inflation over the past five-year period. Since hitting its lowest level of all-time in March, the SEK has strengthened substantially during the Covid-19 crisis, which can be partly explained by Sweden's comparatively low public debt and other currencies weakening. With a strengthened SEK and weak wage growth, Swedish inflation amounted to 0 per cent in spring, but has turned positive over the past quarter. For 2020 as a whole, Newsec expects inflation to amount to 0.5 per cent, substantially below the Central Bank's inflation goal of 2.00 per cent. Recovery for Swedish inflation is expected to be slow, with inflation being below the goal until the end of 2023.

The low inflation puts pressure on the Central Bank, with a strengthened currency and low real wage growth contributing to inflationary development below the goal. Despite this, Newsec forecasts that the key interest rate will remain unchanged, with the Central Bank instead extending their QE-program until mid-2021, and expanding purchasing to SEK 500 billion, from the earlier SEK 300 billion. Starting in September, the Central Bank has also decided to begin to buy corporate bonds. Newsec's forecast is that the key interest rate will remain unchanged until the end of 2022.

Substantial uncertainty remains regarding how steep the economic downturn will be as a result of Covid-19. As long as the threat of the pandemic remains, there will continue to be uncertainty, which is expected to impact the economy. Despite a positive future outlook and better conditions going forward, it will take time until the economy is back at pre-Covid-19 levels. Though recovery has already begun after the strong downturn in Q2, Newsec's forecast is that it will take until the end of 2022 before the economy is back at the same levels as before the outbreak of the pandemic

5.2.2 Sweden

5.2.2.1 General Macroeconomic Developments

The Covid-19 virus has resulted in serious, negative economic consequences for Sweden, despite the country not enacting as strong restrictive measures as many other countries. As a result of increasingly squeezed margins and an increased uncertainty concerning the future, a decline in investment has been noted among both private individuals and companies, while the restrictions introduced have also resulted in changes in behavioural and investment patterns.²¹

The number of layoffs and redundancies has increased heavily as a result of the pandemic. Unemployment has risen and is currently around 9 per cent, which can be compared to 7 per cent at the beginning of the year²² which also impacts Sweden's consumption negatively. Combined changes in both supply and demand are expected to impact Sweden's GDP growth negatively, with growth expected to fall to negative 3.50 per cent in 2020.²³

The following table displays some key figures concerning the Swedish economy:

¹⁹ SEB/Oxford Economics, September/November 2020.

²⁰ National Institute of Economic Research, September 2020.

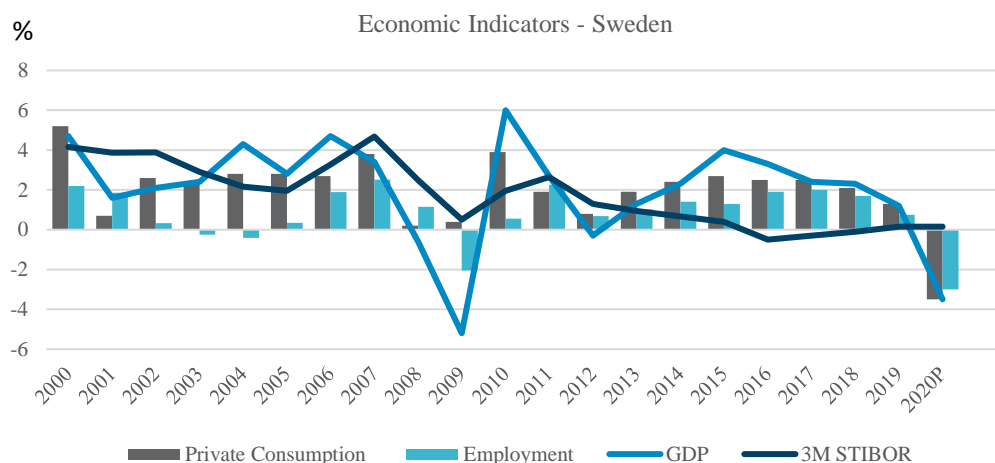
²¹ Svenskt näringsliv, June 2020.

²² Arbetsförmedlingen, monthly statistics, September 2020.

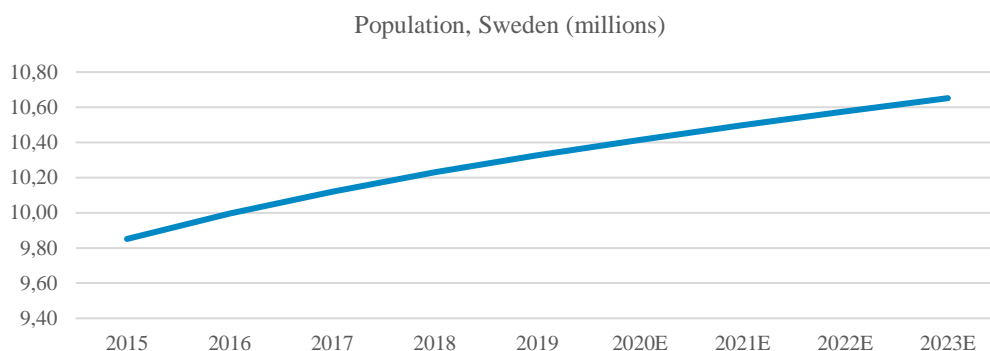
²³ Newsec's forecasts.

Economic indicators

Year	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
GDP (percentage change)	4.0	3.3	2.4	2.3	1.2	-3.5	3.0	3.0	2.5
Population (millions)	9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.7
Inflation (percentage change)	0.0	1.0	1.8	2.0	1.7	0.5	1.0	1.5	2.0
Private consumption growth (percentage change)	2.7	2.5	2.5	2.1	1.3	-3.5	1.0	2.5	2.5
Employment growth (percentage change)	1.3	1.9	2.0	1.7	0.8	-4.0	-0.3	0.8	1.5



Source: Newsec



Source: Statistics Sweden (SCB)

The Swedish economy is expected to fare relatively well throughout the Covid-19 crisis, with a decline in GDP of around -3.5 per cent. This is a more limited decline than in the EU area as a whole.

5.2.2.2 Employment Conditions and Disposable Income

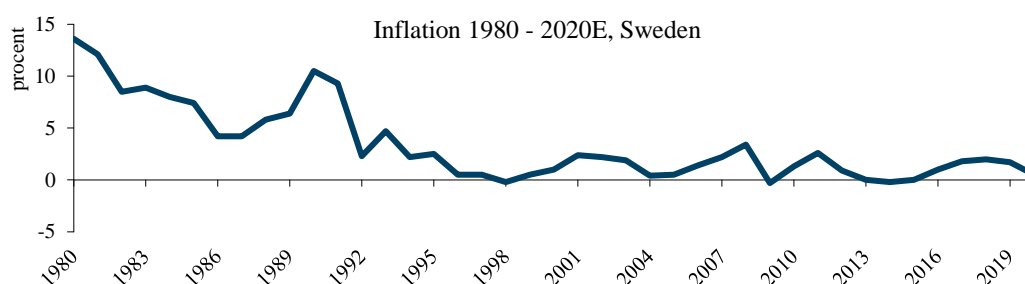
Unemployment was 7.4 per cent in 2015 and had decreased to 7.1 per cent in 2019. In September 2020, unemployment had increased to 8.3 per cent²⁴, which is a direct result of the Covid-19 virus. Swedish economic growth has much like most other countries globally declined and this trend is expected to continue this year and in the coming years.

²⁴ Arbetsförmedlingen, 2020.

Disposable income increased by 1.1 per cent in 2019, which was a decrease compared to 2018, where the corresponding figure was 2.5 per cent. Disposable income per capita, adjusted for inflation, was 231 760 SEK in 2019.²⁵

5.2.2.3 Inflation

Despite a decline in the Swedish economy, where inflation is not expected to reach the Central Bank's goal of 2.00 per cent, the Central Bank decided to leave the key interest rate unchanged at 0.00 per cent at its latest meeting, and are expected to do so for the foreseeable future.²⁶ The forecast for the key interest rate is unchanged and the key interest rate is expected to remain at 0.00 per cent. However, the Central Bank has not ruled out that the key interest could be lowered if this is seen to be an impactful way to stimulate demand and support inflation in the recovery phase, though the Central Bank itself does not expect this (or a potential interest rate hike) to occur until 2022/2023 at the earliest.



Source: Statistics Sweden (SCB)

5.2.3 Interest Rate Climate and Mortgages

The following table displays some key figures concerning interest rates:

Key Interest Rate - Sweden

Year	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E
Central Bank Interest Rate (%)	-0.35	-0,50	-0.50	-0.25	0.00	0.00	0.00	0.25	0.50
STIBOR 3M (%).....	0.40	-0,50	-0.30	-0.10	0.15	0.15	0.15	0.35	0.60
STFIX 5Y (%).....	0.20	-0,20	0.00	0.20	0.25	0.25	0.25	0.50	0.75

Source: Statistics Sweden (SCB), Newsec's forecasts, SEB

The stricter amortization requirements on mortgage debts from last year impede the demand for new housing. The new requirements create a higher threshold to enter the housing markets, where low income households or young families suffer the most. However, the Swedish households' debt is at record levels despite the amortization requirements.

5.2.4 Norway

5.2.4.1 General Macroeconomic Developments

In 2019, Norway's population amounted to 5.3 million, and a stable population growth is expected in the coming years.

The following table displays some key figures concerning the Norwegian economy:²⁷

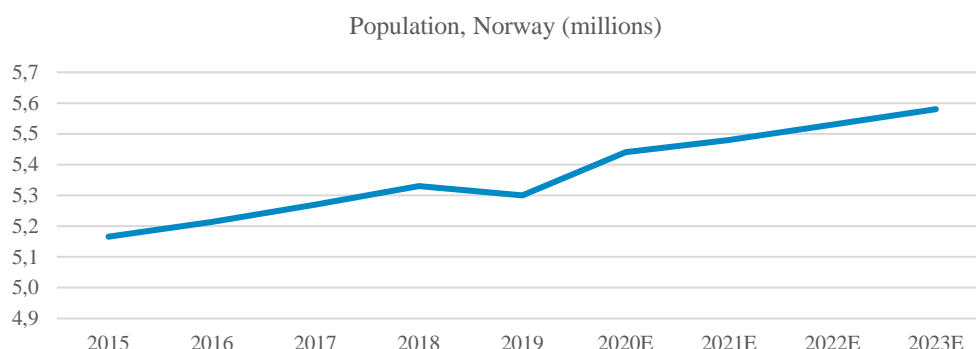
Year	2015	2016	2017	2018	2019	2020E
GDP (percentage change)	1.8	1.0	2.0	1.5	2.0	-3.2
Population (millions)	5.2	5.2	5.3	5.3	5.3	5.4
Inflation (percentage change)	2.2	3.6	1.9	2.8	2.1	1.1
Private consumption growth (percentage change).....	2.2	1.3	2.8	1.9	2.1	-7.7
Employment growth (percentage change).....	0.4	0.3	1.1	1.5	1.1	-2.3

²⁵ Svenska Statistiska centralbyrån, 2020.

²⁶ Sveriges riksbank.

²⁷ Statistics Norway, 2020; Newsec's forecasts, 2020.

The Norwegian economy is expected to fare fairly well through the Covid-19 crisis, with a GDP fall of around -3.2 per cent. This is a more limited decline than the other Nordic countries and also a more limited decline than the EU average.



Source: Statistics Norway

5.2.4.2 Gross Domestic Product and Economic Growth Developments

Despite lower oil prices in 2019 and 2020, Norway's economic growth is primarily driven by energy investments. Norway's GDP grew at a relatively strong rate of approximately 2.0 per cent in 2019.²⁸ In 2017-2018, residential investments fell after a few years of a booming construction market. Now, signs indicate Norway's housing market is beginning to turn, with housing construction levels rising again. The house prices across Norway diverge substantially. Rises in interest rate were pulling the house prices down, while real income growth was pushing the prices up, though Covid-19 has transformed these trends. Further, property investments in the oil exploration cities on the west coast are becoming more attractive and predicted to boom.

5.2.4.3 Employment Conditions and Disposable Income

In 2019, the availability of labour and unemployment continued to decrease, with an unemployment rate of 3.7 per cent in 2019. In April 2020, it was announced that unemployment in Norway had reached around 10 per cent. This was the highest figure ever noted and a direct consequence of Covid-19 impacting the labour market. In August 2020, unemployment in Norway had fallen back to around 6 per cent, partly as a result of many redundancies not being finalized.²⁹

5.2.4.4 Inflation

Inflation rose just over the Central Bank's inflation target of 2 per cent in November 2018, and core inflation remains generally stable. In 2019, inflation was at 2.1 per cent.³⁰ In 2020, inflation is expected to be below the target, but a little higher than in the other Nordic countries, driven partly by a weak Norwegian krone.

5.2.4.5 Interest Rate Climate and Mortgages

The following table displays some key figures concerning interest rates:

Year	2015	2016	2017	2018	2019	2020E
Central Bank Interest Rate (%)	0.75	0.50	0.50	0.75	1.50	0.00
NIBOR 3M (%)	1.13	1.17	0.81	1.19	1.60	0.45
SWAP 5Y (%).....	1.28	1.57	1.60	1.82	1.65	0.70

In terms of monetary policy, Norway is the black sheep among the Nordics, with key interest rates that have historically been at substantially higher levels than in the other Nordic countries. However, in May 2020 the key interest rate was lowered to 0.00 per cent, which weakened the Norwegian krone. The rate has remained at these levels since, with increases provisionally expected towards the end of 2021.

²⁸ Newsec, Nordic Property Outlook, spring 2020.

²⁹ Arbeidsliv i Norden, 2020. Link: <http://www.arbeidslivnorden.org/i-fokus/i-fokus-2020/tema-stangda-granser/article.2020-03-31.5647798863>; Eurostat, 2020.

³⁰ Newsec, Nordic Property Outlook, spring 2020.

5.2.5 Finland

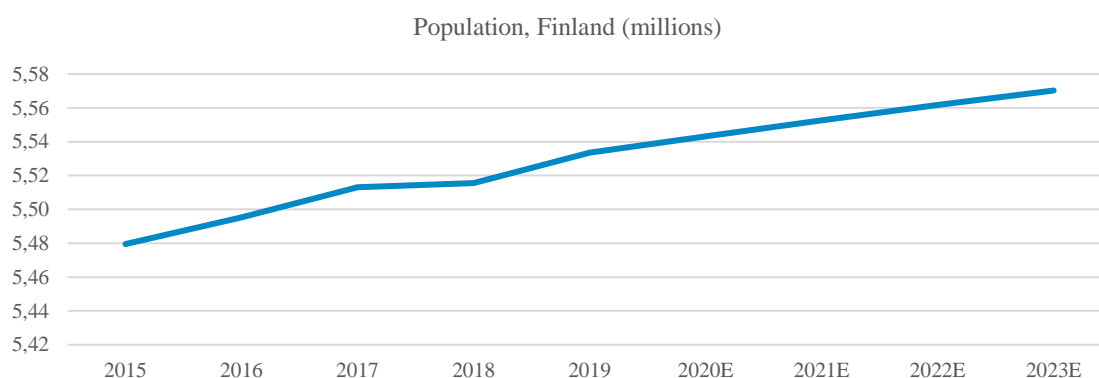
5.2.5.1 General Macroeconomic Developments

Over the past few years, Finland's population has steadily increased. In 2019, Finland's population amounted to 5.52 million, and this figure is expected to increase further in the coming years.³¹ GDP growth has increased from a low level of 0.14 per cent in 2015, to 1.6 per cent in 2019, but is expected to fall in 2020.³²

The following table displays some key figures concerning the Finnish economy:

Year	2015	2016	2017	2018	2019	2020E
GDP (percentage change)	0.1	2.3	2.7	2.4	1.6	-3.7
Population (millions)	5.5	5.5	5.5	5.5	5.5	5.5
Inflation (percentage change)	-0.2	0.4	0.8	1.1	1.2	0.3
Private consumption growth (percentage change)	1.9	1.8	1.8	1.9	1.2	-5.0

The Finnish economy is expected to navigate the Covid-19 crisis fairly well, with a GDP fall of around -3.7 per cent. This is in line with the other Nordic countries and a more limited decline than the EU-area as a whole.



Source: Tilastokeskus

5.2.5.2 Inflation

According to Newsec's forecasts, inflation in Finland is expected to increase in the coming year. Wage increases were expected in 2021 resulting in a gradual rise in the price of services, pushing up inflation in 2022-2024.³³ However, the Covid-19 virus is expected to impact this forecast, meaning that Finland is likely to continue to experience a low rate of inflation going forward.

5.2.5.3 Interest Rate Climate and Mortgages

The following table displays some key figures concerning interest rates:

Year	2015	2016	2017	2018	2019	2020E
Central Bank Interest Rate (%)	0.05	0.00	0.00	0.00	0.00	0.00
EURIBOR 3M (%)	-0.13	-0.32	-0.32	-0.32	-0.38	-0.50
SWAP 5Y (%)	0.33	0.00	0.49	0.28	-0.39	-0.47

Source: SEB, Euribor-rates.eu

The Finnish state debt has decreased, which enables a more expansionary fiscal policy, and capital expenditure continue to yield strong results.

Overall, the households' financial situation is improving and the indebtedness rate is not remarkably high in international terms. In 2019, the savings rate has gone up, having posted unusually low levels between 2016 to 2018 (negative

³¹ Statistics Finland, 2020.

³² Newsec, Nordic Property Outlook, spring 2020; Newsec's forecasts, 2020.

³³ Newsec's forecasts.

numbers in 2016-2017).³⁴ Unemployment in Finland has increased to around 8 per cent as of August 2020, according to Eurostat.³⁵

5.2.6 Denmark

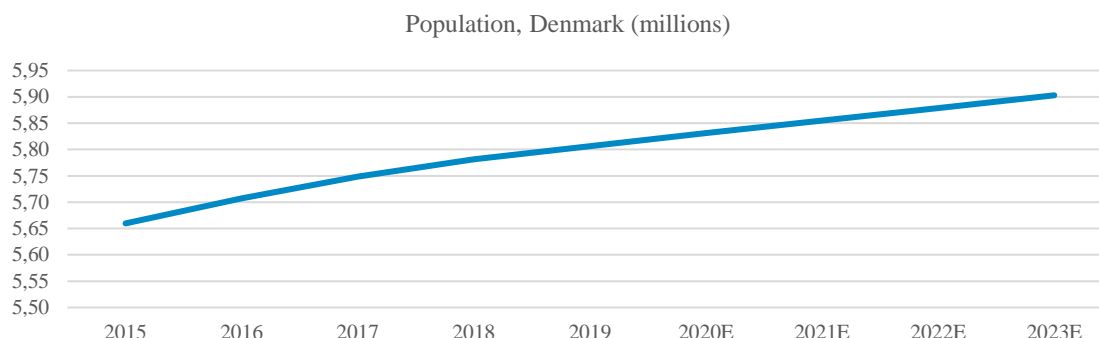
5.2.6.1 General Macroeconomic Developments

In 2019, the population in Denmark amounted to 5.8 million and the population growth of recent years is expected to continue. GDP growth in 2019 was 2.0 per cent³⁶ and is expected to be negative in 2020.³⁷

The following table displays some key figures concerning the Danish economy:

Year	2015	2016	2017	2018	2019	2020E
GDP (percentage change)	1.6	2.0	2.0	2.4	2.0	-3.8
Population (millions)	5.7	5.7	5.7	5.8	5.8	5.8
Inflation (percentage change)	0.5	0.3	1.2	0.8	0.8	0.4
Private consumption growth (percentage change)	1.7	2.3	1.5	2.3	1.6	-3.7
Employment growth (percentage change)	1.4	1.6	1.6	1.8	1.2	-0.7

The Danish economy is expected to fare relatively well in the Corona crisis, with a GDP decline of around 3.8 per cent. This is in line with Sweden and is therefore also a more limited decline than in the EU-area as a whole.



Source: Statistics Denmark

5.2.6.2 Employment conditions

Unemployment in Denmark rose heavily in March 2020 as a result of the Covid-19 virus. In May and June, unemployment decreased in the country and is currently around 6 per cent, which is a substantial increase compared to the levels seen before the Covid-19 crisis.³⁸

5.2.6.3 Inflation

Inflation in Denmark is among the lowest in the EU area. In 2019, the average inflation rate across the Euro area was 1.20 per cent, while in Denmark, the corresponding figure was 0.80 per cent.^{39,40} In 2020, inflation is expected to be approximately 0.4 per cent.

5.2.6.4 Interest Rate Climate and Mortgages

The following table displays some key figures concerning interest rates:

Year	2015	2016	2017	2018	2019	2020E
Central Bank Interest Rate (%)	-0.75	-0.65	-0.65	-0.65	-0.37	-0.65

³⁴ Newsec, Nordic Property Outlook, spring 2020.

³⁵ Eurostat, August 2020.

³⁶ Statistics Denmark, 2020.

³⁷ Newsec's forecasts.

³⁸ Arbejdsliv i Norden, 2020. Link: <http://www.arbejdslivinorden.org/i-fokus/i-fokus-2020/tema-stangda-granser/article.2020-03-31.5647798863>; Eurostat, 2020

³⁹ ECB, Europeiska Centralbanken, 17th July 2020.

⁴⁰ Newsec, Nordic Property Outlook, spring 2020.

Year	2015	2016	2017	2018	2019	2020E
CIBOR 3M (%)	0.67	0.33	-0.31	-0.30	-0.42	-0.25
SWAP 5Y (%).....	-0.09	-0.23	0.63	0.42	-0.37	-0.23

Source: SEB

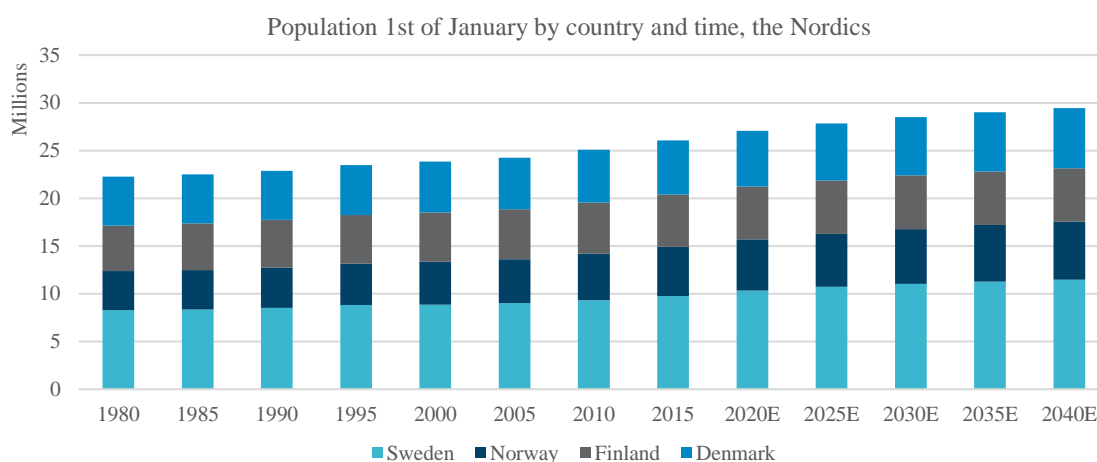
The Danish monetary policy follows the European Central Bank, with low interest rates in order to continue stimulating the economy and keep the currency pegged to the euros.⁴¹

5.3 Demographic overview

5.3.1 Nordics

The Nordic region includes Sweden, Norway, Finland, Denmark and Iceland. The Nordic population amounted to 27.4 million people in 2019.⁴² Within the next 20 years, the population is expected to grow by 3 million inhabitants. In 1990, the Nordic population amounted to 23.3 million people, meaning there has been a 16 per cent population growth between 1990 and 2020.

By 2040, the population of the Nordic countries and regions is projected to have increased from the current 27.1 million to around 30 million people.



Source: Nordics Statistics Database

The largest increases in population numbers are expected to occur in predominantly urban and intermediate regions that are close to a city. The population living in these two types of region will be around two million people larger in 2040 than it is today, a 12 per cent increase. The population in the more rural and/or remote regions is also expected to be larger in 2040 than it is today.

The global trend of urbanisation and an ageing population is also found in the Nordic region.⁴³ The urban areas in the Nordic region have a high population growth while some rural parts in the region experience a diminishing population. The trend is the same for all the Nordic countries, however differs in its extent. The trend of people moving to the cities is not just true for the major cities in the Nordics but also for the regional urban centres in many parts. For example, population growth occurred especially in and around regional centres in Sweden, such as Falun in Dalarna and Karlstad in Värmland.

Population by region of residence, the Nordics (rounded numbers)	1990	Change, per cent	2017	Change, per cent	2040E
Predominantly urban regions.....	5,266,000	+33%	7,025,000	+17%	8,202,000
Intermediate regions, close to a city	7,917,000	+20%	9,463,000	+9%	10,284,000
Intermediate regions, remote.....	2,197,000	+7%	2,359,000	+6%	2,507,000

⁴¹ Danske bank, Nordic Outlook 18th June 2019.

⁴² Nordic Statistics Database 2020.

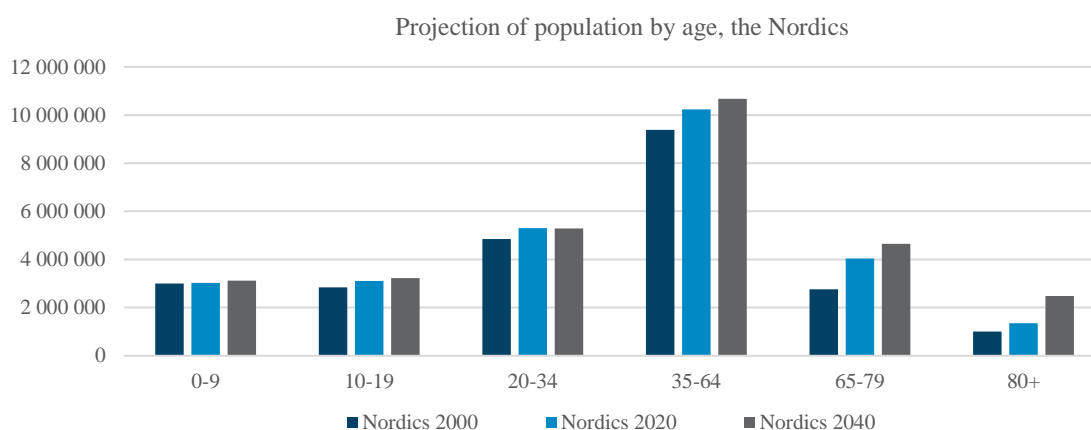
⁴³ Nordic co-operation. Nordregio report 2019:6, The Nordic Population in 2040.

Population by region of residence, the Nordics (rounded numbers)	1990	Change, per cent	2017	Change, per cent	2040E
Predominantly rural regions, close to a city	2,765,000	+6	2,934,000	+4%	3,063,000
Predominantly rural regions, remote	5,140,000	+3	5,293,000	+3%	5,450,000
Total population, the Nordics.....	23,285,000	+16%	27,074,000	+9%	29,506,000

Source: Nordregio report 2019:6, The Nordic Population in 2040

Nordregio have in a report analysed the development of the ageing population in the Nordic region.⁴⁴ They use a measurement called OADR, a so-called old-age dependency ratio that measures the number of people aged 65 years and older (the “old” or retired population) as a share of the number of people aged 15 to 64 (defined as the “working age” population). In the Nordic Region, the OADR has increased from around 24 per cent in 1990 to 30 in 2017, which means 100 people in the working-age population supported 24 people of retirement ages in 1990. In 2017, the ratio changed to 100 working-age people to 30 retirement-age people. The degree of this development differs between the Nordic countries. Sweden had the highest OADR of all Nordic countries for most of the period but was recently overtaken by Finland. Moreover, the development of the ageing population does not only differ between the Nordic countries but locally there are large deviations, e.g. the OADR in Blekinge in southern Sweden reached 35 per cent in 2017, while the equivalent number in Stockholm was 24 per cent. In figures, this translates into an increase of 1.7 million people aged over 65 between 2020 and 2040. In the same period, between 2020 and 2040, an increase of approximately 400,000 people aged 20-64 is estimated.

According to the report, the trend of population ageing will continue in the coming years. In 2017, the Nordic OADR was around 30 per cent, i.e. for every person of pension age there were around three people between ages 15 and 64 years living in the Nordic Region. In 2040, this ratio is projected to be 40 per cent, the equivalent of 2.5 people of working age for each person above age 65. The increase in the OADR shows no signs of slowing down, so that further increases after 2040 appear likely. The differences between the countries will remain. Finland, which already has the highest OADRs today, will maintain their position as the country with the oldest age structures in the Nordic Region. In Sweden, population ageing will progress slower than elsewhere. In Denmark and Norway, the OADRs in 2040 will be close to the Nordic average. In a rural-urban comparison, the patterns observed in the past also largely persist. The predominantly urban regions such as Stockholm, Oslo and Helsinki will continue to have the youngest age structures in 2040. The graph below illustrates the changes in population in the Nordics from 2000 to today and a projection for 2040.



Source: Nordic Statistics Database

5.3.2 Sweden

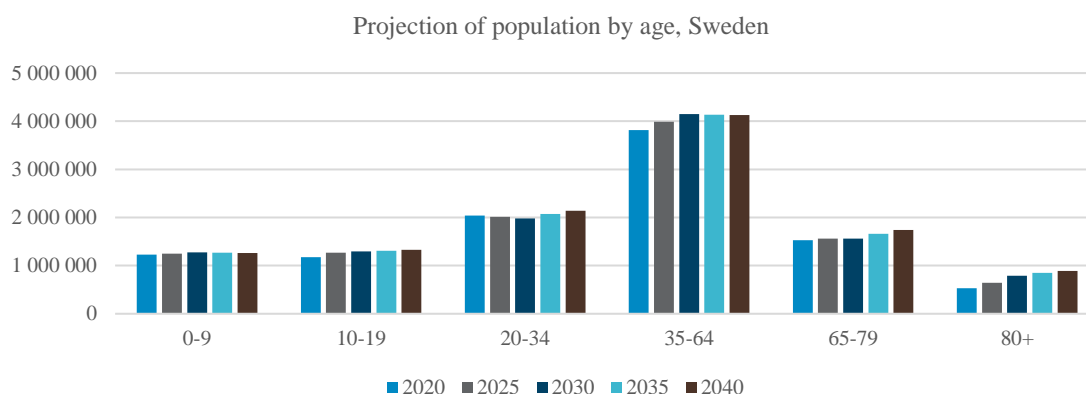
Population growth in Sweden has been rapid in recent years. At year-end 2019, the Swedish population amounted to around 10.2 million people. The Swedish population has grown by 1.4 million inhabitants since the year 2000, a population growth of approximately 15 per cent. The main reason underlying the population growth has been immigration. In addition, the birth rate exceeds the death rate, resulting in a positive effect on the population growth in Sweden. In

⁴⁴ Nordic co-operation. Nordregio report 2019:6, The Nordic Population in 2040.

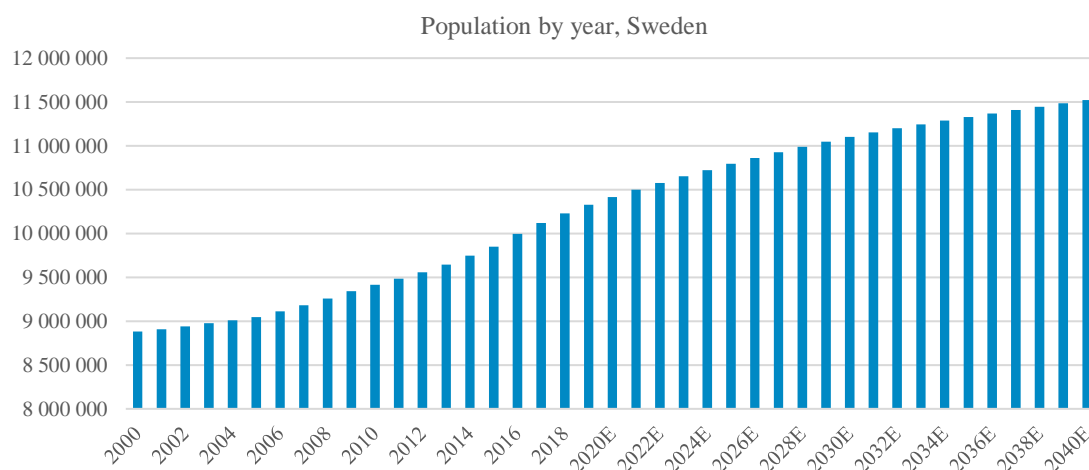
2018, the population growth reached 1.1 per cent. The immigration excess (immigration minus emigration) amounted to a little over 68,000 people while the birth excess (births minus deaths) summed to around 26,000 people.⁴⁵

At the beginning of 2017, the population in Sweden exceeded 10 million people and according to projections made by Statistics Sweden, Sweden's population is expected to reach 11 million in 2029. The largest population increase is expected among the elderly, and in 2029 the share of people aged 80 and older is expected to be 255,000 more people than today, corresponding to an increase of 50 per cent.⁴⁶

The Swedish population is expected to keep getting older. By 2070, the proportion of older people is expected to increase sharply, while the proportion of people of working age is decreasing. The demographic changes place high demands on society. An economy with a significant share of seniors and retirees has different demand drivers than an economy with a higher birth rate and a larger working-age population. For example, rapidly aging populations tend to have greater demands for health care services and retirement homes.



Source: Statistics Sweden (SCB)



Source: Statistics Sweden (SCB)

5.3.3 Norway

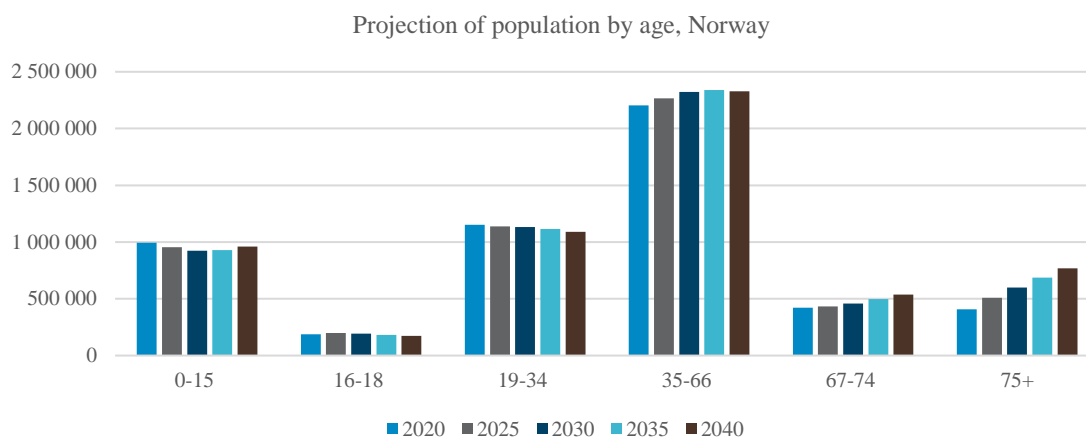
The population in Norway has much like the population in Sweden also grown rapidly over the past few years. At year-end 2019, the Norwegian population amounted to around 5.3 million people. The Norwegian population has grown by 0.9 million since year 2000, which corresponds to a population growth of around 19 per cent. The primary underlying factor creating this growth has been immigration. Further, the birth rate also exceeds the death rate. In 2019, population

⁴⁵ Svenska Statistiska centralbyrån, 2020.

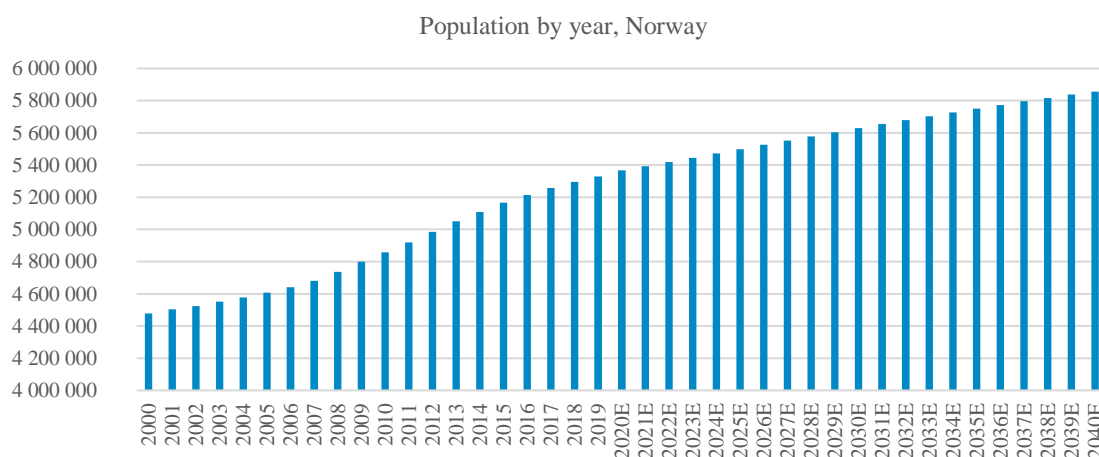
⁴⁶ Svenska Statistiska centralbyrån, the future population of Sweden 2018-2070.

growth amounted to 0.6 per cent. Net immigration (immigration minus emigration) amounted to just over 25,000 persons while natural increase (births minus deaths) amounted to just shy of 14,000 persons.⁴⁷

At the beginning of 2013, the population in Norway exceeded 5 million people and according to projections made by Statistics Norway, Norway's population is expected to reach 6 million in 2050. The life expectancy at birth is expected to increase markedly from today's 81.2 for men and 84.7 for women to 88.9 for men and 90.9 for women in year 2060.³³ The share of people that are of working age is also expected to decrease. Just like in Sweden, Norway will continue to grapple with challenges connected to an increasing amount of elderly and pensioners in society, such as e.g. a lack of demand for certain goods in the economy, and instead a greater demand for health care services and retirement homes.



Source: Statistics Norway (SSB)



Source: Statistics Norway (SSB)

5.4 Real estate market overview

5.4.1 Nordic Property and Transaction Market

The Nordic Property market is one of the most liquid in the world and is expected to stay that way. The interest from international investors has grown and can partially be explained as a result of the beneficial central bank key interest rates and a stable political environment. The total transaction volume on the Nordic property market amounted to 40.3 billion EUR in 2019. The forecast transaction volume for 2020 is 35 billion EUR and in 2029, 80 billion EUR is forecast.⁴⁸

⁴⁷ Norska Statistiska centralbyrån, 2020.

³³ Norska Statistiska centralbyrån, 2020.

⁴⁸ Newsec Advice, Sweden.

Examples of major pan-Nordic transactions can be seen in the table below:

Year	Seller	Buyer	Property name	Location	Type	Volume, million SEK	Area, m ²	SEK/m ²	Yield (net)
2016	2:nd and 6:th AP-fund	Castellum	Norrporten AB	Mixed locations	Office, retail	~22,000	1,049,914	20,954	5.30-5.70%
2018	Victoria Park Shareholders	Vonovia	Shares in Victoria Park	Stockholm, Gothenburg, Malmö	Residential	~13,180	733,500	17,969	
2016	Akelius	Willhem	119 properties	Mixed locations	Residential, retail	5,000	317,023	15,772	4.80%
2018	Akelius	Victoria Park	2,340 apartments in Stockholm and Gothenburg	Stockholm (Haninge), Gothenburg (Mölndal)	Residential	~ 4,700	188,000	25,000	
2016	D. Carnegie Shareholders	Blackstone	Shares in D. Carnegie	Mixed locations	Residential, retail	4,550	519,500	8,758	
2019	SBB	DNB Liv	DNB HQ	Oslo	Office	~ 4,900	49,000	100,000	
2019	eQ Care special investment fund	SBB	48 properties	Finland	Community service properties	~1,500	50,280	29,833	
2019	Shareholders in Hemfosa	SBB	Shares in Hemfosa	Sweden, Norway, Finland	Community service properties, office	~ 3,760			
2020	Veidekke Eiendom	Fredensborg etc.	Veidekke's property development operations	Sweden, Norway	Residential, land	~7,700			
2020	Shareholders in Hoivatilat	Aureit Holding Oy	Shares in Hoivatilat	Finland, Sweden	Community service properties	~5,000			

Source: Newsec,
~ Approximations

5.4.2 Sweden's Property and Transaction Market

Despite a slowing economy, the Swedish real estate market continues to perform well. The total transaction volume accumulated as of the 31 of October 2020 (concerning transactions >= SEK 40 million) amounted to SEK 120.2 billion (including conditional deals, SEK 114.7 billion excluding these), which is lower than the corresponding period in the record year 2019, where the transaction volume amounted to SEK 159.3 billion. The transaction volume up to and including October 2020 does, however, remain higher than the corresponding period in 2018 and 2017. This indicates that despite a shaky Macro economy, 2020 will constitute a strong transaction year.⁴⁹

Newsec forecasts a transaction volume in excess of SEK 170 billion in 2020, which would make 2020 the third strongest year on the transaction market of all-time. As in previous years, the average transaction size has continued to rise. The higher transaction volume can primarily be explained by purchases of major portfolios, as well as the Swedish transaction market continuing to attract large, international investors.⁵⁰ International investors account for 31 per cent of the transaction volume thus far in 2020. Should this level of international investment be maintained, international investors will account for their strongest share of the total transaction volume in any individual year since before the global financial crisis. Interest for the Swedish transaction market among all types of investors remains strong, thanks to the characteristics of the country's property market, which compared to the rest of Europe is relatively high-yielding and carries limited risk. In summary, forecasts for the Swedish economy indicate a negative economic growth with a monetary policy in a bind. The Swedish central bank is unable to raise the key interest rate because of the poor inflation forecast which has impacted the SEK negatively. Financial strains on property developers combined with an oversupply of housing could lead to an even worse spiral downwards for the housing market, affecting the Swedish economy as a whole.

Examples of major transactions on the Swedish property market can be seen in the table below:

⁴⁹ Newsec's forecasts.

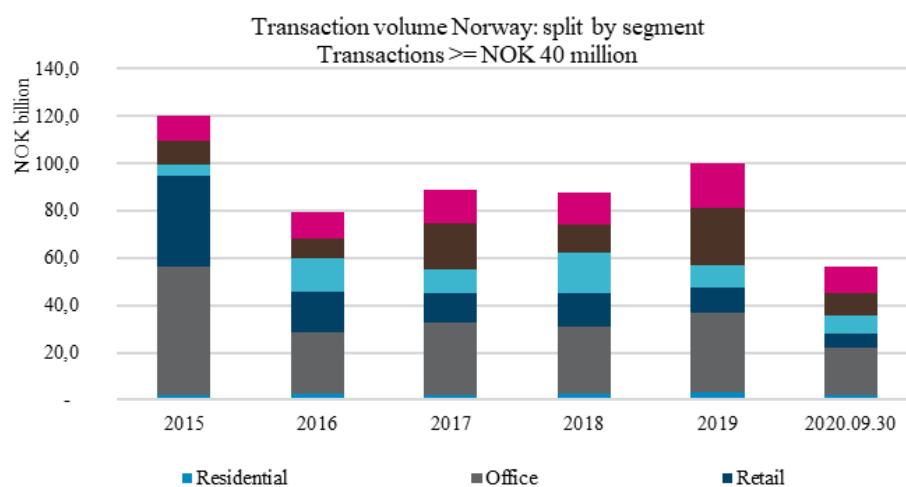
⁵⁰ Newsec, Nordic Property Outlook, spring 2020.

Year	Seller	Buyer	Property name	Location	Type	Volume, million SEK	Area, m ²	SEK/m ²	Yield (net)
2019	Logistik-fastigheter	Prologis	Multiple properties	Helsingborg, Göteborg, Örebro, Eskilstuna, Västerås, Stockholm (Sigtuna)	Industry	3,800	303,702	12,512	4.25%*
2019	Castellum	Lilium	Hercules 8 & 9, Idrottsparken 2 & 3 etc.	Sundsvall	Office	~3,600	169,190	20,426	5.00%*
2019	AFA Fastigheter	Blackstone	Skjutsgossen 12	Stockholm (Södermalm)	Office	~2,000	33,699	59,348	
2018	M2 Gruppen	SBB	50 properties	Enköping, Sigtuna, Södertälje, Tierp, Tranås, Vaggeryd, Söderhamn, Nässjö	Residential	~1,300	n/a	n/a	
2019	Multiple sellers	Offentliga Hus	6 properties	mixed locations / Sweden	Community service properties	~1,100	61,000	18,033	
2019	Hemsö	SBB	Träloket 16, Kullen 18 etc.	Stockholm, Gothenburg etc.	Community service properties	1,200	55,626	21,573	
2020	Veidekke Eiendom	Fredensborg etc.	Veidekke's property development operations	Sweden, Norway	Residential, land	~5,400 (the Swedish properties)			
2020	SBB	Nyfosa	38 properties	Västerås, Luleå, Örebro, Karlskrona, Stockholm, Uppsala etc.	Office	~ 4,900	e/t	e/t	
2020	Atrium Ljungberg	Stadsrum	Farsta centrum	Stockholm	Retail	~ 4,000	~ 100,000		
2020	Skanska	DWS	Solna United	Stockholm	Office	~3,300	~ 100,000	~3.30%	

Source: Newsec

~ Approximation

* Estimate



Source: Newsec

5.4.3 Norway's Property and Transaction Market

Just like in Sweden, activity on the Norwegian transaction market also remains relatively high. The total transaction volume accumulated as of the 30th of September 2020 amounted to around NOK 56.1 billion (including conditional deals), which is a little higher than the corresponding period in 2019 and 2018, but lower than the record year 2015 where the transaction volume amounted to NOK 73.4 billion. These figures indicate that, despite a turbulent Macro economy, 2020 will constitute another strong year on the transaction market in Norway.⁵¹

Newsec forecasts a transaction volume in excess of NOK 85 billion in 2020, which would make this transaction year in line with the historical average and most previous years. Interest in the Norwegian transaction market among international investors has historically been limited, due to e.g. hedging costs, and the transaction volume has primarily been driven by domestic buyers purchasing large portfolios as well as individual properties, often through syndicates. International investors account for 21 per cent of the transaction volume thus far in 2020. Should this continue, 2020 will be the strongest year for international investors on the Norwegian transaction market since before the global financial crisis, in large part thanks to the weak Norwegian krone and global turbulence. Interest for the Norwegian transaction market remains strong, as the country much like Sweden has a property market which is relatively high-yielding and carries low risk in a wider European context. The Norwegian krone has taken quite a beating this year and has been worth less than the Swedish krona since March, partly due to weak demand for oil and a substantial reduction in the Norwegian key interest rate. The Norwegian Central Bank can also not increase the key interest rate due to the weak inflation forecast, as well as the general economic situation. In the long-term, Norway has a well-diversified economy and should see a strong recovery from the crisis.

Examples of major transactions on the Norwegian property market can be seen in the table below:

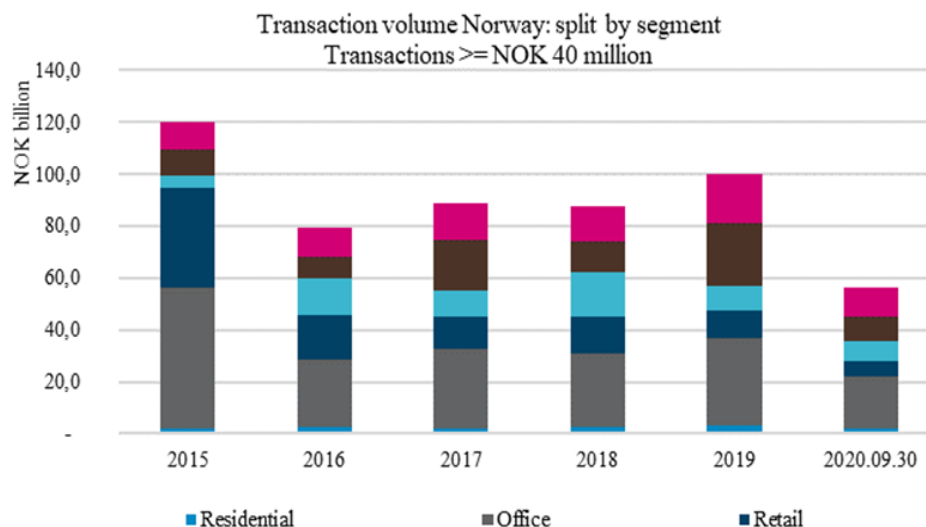
Year	Seller	Buyer	Property name	Location	Type	Volume, million NOK	Area, m ²	NOK/m ²	Yield (net)
2019	Shareholders in Hemfosa	SBB	Shares in Hemfosa	Nationwide in Norway	Community service properties	~9,100			
2020	Norsk Rikskringkasting AS	Ferd Eiendom	NRK tomten	Oslo	Land	5,000	84,288	59,320	
2019	SBB	DNB Liv	DNB Midtbygget	Oslo	Office	~4,500	46,169	97,208	~4.00%
2019	Pioneer Property Group ASA	Whitehelm Capital	Pioneer Property Group	Nationwide in Norway	Community service properties	4,450			~5.50%
2020	Laeringsverkstedet	SBB	Pre-school portfolio (138 properties)	Nationwide in Norway	Community service properties	4,250	114,000	37,281	5.86%
2019	Selvaag Bolig	Urban Property (Oslo Pensjonsforikring AS, Equinor Pensjon, Selvaag AS, Rema Etablering AS)	Selvaag tomtebank	Eastern Norway	Land	3,400			
2020	Moller Eiendom	NREP	Coop Sentrallager Gardermoen	Eastern Norway	Logistics	~3,100	85,304	36,071	3.90%
2020	Veidekke	Fredensborg etc.	Veidekke Eiendom	Nationwide in Norway	Residential, land	2,920			
2019	Kruse Smith Eiendom	Solon	Kruse Smith Eiendom	Nationwide in Norway	Land	2,300			
2020	Eiendomsspar	Vika Project Finance	Tjuvholmen Allé 1-5	Oslo	Office	2,000	14,945	133,824	~3.15%

⁵¹ Newsec's forecasts.

Source: Newsec

~ Approximation

* Estimate



Source: Newsec

5.5 Community service properties

5.5.1 Introduction

In Sweden, Norway and Finland, there has been an increased interest in the municipalities' attitude to the divestment of parts of their community service properties holdings. Many municipalities are in need of capital in order to maintain the existing property stock, construct new housing, finance care and education and invest in important infrastructure. In addition, many municipalities in e.g. Sweden and Finland are in favour of private actors taking care of a large part of the new construction of community service properties, municipal and city halls. The vast majority of municipalities are in great need of new schools and retirement homes in the coming years, where parts of this new production will go to the private market. Many municipalities are also positive to bringing in additional companies to the labour market in the municipality.

There is an increasing interest in investing in community service properties in Sweden and the other Nordic countries. In 2019, community service properties accounted for approximately 18 per cent of the total transaction volume in Sweden and in 2020 (up until the 31st of October 2020) they have accounted for 12 per cent, which can be compared to 2007, when community service properties accounted for only 2 per cent of the total transaction volume. This has largely to do with the fact that historically the municipalities, counties and state were the sole owner of all community properties. The reasons for the change in ownership structure are several. The primary reason is the great need for new investments in the sector, and many municipalities lack the capital required to make these investments. The market for community properties has evolved most in Sweden and Finland. However, private investors are increasing their share in both Norway and Denmark.

The growing market has resulted in specialized real estate companies. Pension funds have also invested in community service properties, as it is an asset class that is well suited to the long investment horizon and provides a stable return on investment.

The increased interest from investors in the segment can partly be explained by the societal development we are seeing today, with an aging population, growing batches of children and a large immigration. This has placed great demands on society and has created a favourable position for investing in schools and elderly care. In nearly all geographical segments in Sweden, the yield levels for elderly care and schools have gradually fallen. A corresponding trend can also be seen in Sweden's neighbouring countries, primarily concentrated around Oslo and Helsinki. Apart for the underlying demographics, community properties are also characterised by long lease-terms with stable tenants, which is of great interest to many investors.

In Norway, the public property segment accounted for 10 per cent of the total transaction volume, and is expected to account for between 20 and 25 per cent in 2020, which can be compared to 8 per cent in 2015. Much like in the other

Nordic countries, the interest in public properties is increasing, although there are only a few property companies that have this segment as their primary focus as of today. Pension funds have begun to focus more on this segment, with its long-term horizon and stable returns. The state and the municipalities are still the main owner of these type of properties, but if their attitude towards divestment changes, this could open a new window for increased supply of community service properties coming to market.

In Finland, the private sector has increased its share in the community property market during the last years. However, there is currently a large uncertainty on the market due to a reform. The reform will transfer the responsibility of healthcare and social services to 18 new regional counties. In this reform, the “freedom of choice” was included, meaning that the patient would be able to choose healthcare or social welfare provider – governmental or non-governmental. This “freedom of choice” is projected to streamline the healthcare and social welfare system, meaning that municipalities will have to find new uses for many of their properties. The current government does not support the “freedom of choice” and has paused the whole reform.

In 2019, the Danish community service properties accounted for approximately 6 per cent of the transaction volume and the number is projected to increase slightly in 2020. The state owned properties are controlled by seven units: FREJA (developer company), Forsvarets Ejendomsstyrelse (Defense Property Agency), Banedanmark (Rail Net Denmark), Bygningsstyrelsen (Property Agency), Naturstyrelsen (Nature Agency, Kriminalforsorgen (The National Probation Service), Slot- og Kulturstyrelsen (The Palace and Culture Board). In recent years, some of the properties owned by the public institutions have been sold because of restructuring and cost cutting, driven by political decisions.

In general, due to above stated facts, it is likely that there will be a continued great interest in community service properties in the Nordic region in the future.

5.5.2 Governmental backing of Nordic municipalities

In all four countries, legislation prohibits local governments from declaring default, making government intervention in the event of an RLG (regional and local government) facing severe financial difficulties very likely. Nordic RLGs have on occasion experienced financial distress. However, there have been no Nordics RLG defaults for over 100 years thanks to timely central government support (see below).⁵²

Nordic central governments have historically provided support to RLG:s in financial distress

	Denmark	Finland	Sweden	Norway
Local government under stress.....	Municipality of Farum (2002)	Municipality of Karkkila (1992)	City of Bjuv (1995)	Municipality of Lebesby (Late 1980s)
Background	Excessive spending and breaches of borrowing regulations. Several ambitious projects were carried out via opaque public-private partnerships using sale and leaseback loans.	Financial distress of a major state-owned company (Karkkila Industrial Village Ltd.) with domestic and foreign loans guaranteed by the municipality. A devaluation of the Finnish Markka exacerbated the situation, pushing guaranteed loans up to 250% of the municipality's tax revenue.	Financial distress due to the over-indebtedness of its housing company. Bjuv was unable to raise taxes at the time due to national legislation that suspended municipalities' tax-raising powers.	The municipality guaranteed the liabilities of a fishing business that went bankrupt, and was forced to assume responsibility for NOK 50 million of its short-term debt.
State intervention.....	The central government assumed control of Farum and granted the municipality a subsidy of DKK 2 billion, a sum equivalent to its annual budget. This marked the first time the Danish central government had	Karkkila took the liabilities on its balance sheet and the central government was given the right to veto the company board. The central government passed emergency legislation that enabled	The central government provided SEK 159 million out of the SEK 200 million requested to resolve the crisis. It also took over the housing company until 31 May 2003 as a condition of	The central government provided financial support for number of years, and allowed the debt to be restructures as part of a wider rescue package hat also imposed spending cuts and

⁵² Moody's Investor Service, KommuneKredit, Municipality Finance PLC, Kommunalbanken AS, Kommuninvest, 14th May 2018.

Nordic central governments have historically provided support to RLG:s in financial distress

Denmark	Finland	Sweden	Norway
bailed out a local government, and was highly controversial in Denmark. Farum was forced to raise municipal taxes from 19.6% to 22.8%.	the payment of state interest subsidy to the municipality, which had to be repaid. Karkkila raise municipal taxes on the highest level in the country.	allowing Bjuv to keep it thereafter. Bjuv took a larger management role in the housing company.	closer scrutiny on the municipality.

Source: Farum – Policy in multilevel systems: Federalism, decentralisation and performance in OECD countries (2003), Karkkila – Finnish local government institutions and creditworthiness (2012), Bjuv – Fiscal Federalism in Unitary States (2004), Lebesby – Recovery of local and regional authorities in financial difficulties (2002)

5.5.3 Key regulation and Lease structure

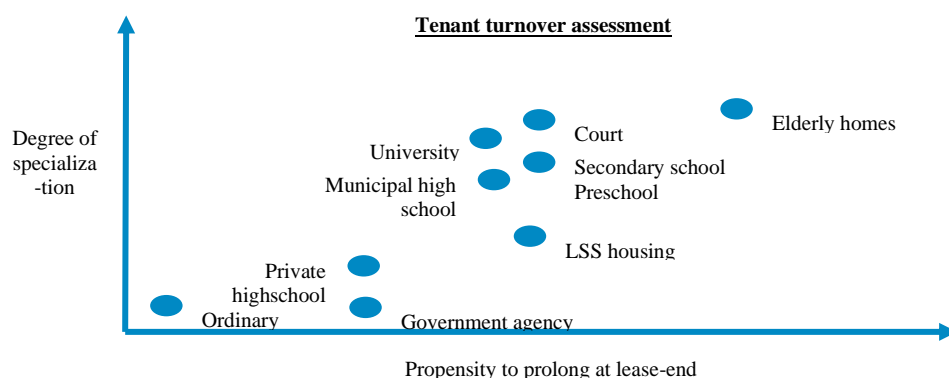
The lease contracts for community service properties in the Nordic countries are similar to one another. For the most part, these are contracts that do not differ from commercial properties. With state, county councils or municipalities as principals for the services provided, the tenants are very creditworthy and long contracts of five to fifteen years are common. In some cases, 20-year contracts have been observed, which can be compared to other commercial real estate segments where a normal lease stretches between three to five years. In Sweden, leases for government agencies of more than six years need consent by the government before signing, and for universities the corresponding lease length is ten years.⁵³ Tenants with operations indirectly financed by state, council or municipalities are also regarded as highly creditworthy. Though the governmental approval is often a formality it might slow down negotiations somewhat or lead to shorter lease contracts in order to avoid the approval process. Newly produced community service properties normally have a 15-year lease or longer, as the properties often are purpose-built. The use of break options for the tenants are not common on the Nordic market for community service properties. Tenant incentives (rental discounts and similar) are not common as public tenants generally have a good ability to pay given their state backing.

Government agencies are generally required to go through a procurement procedure for all large purchases or other financial obligations. However, the lease of an existing premise is generally exempt from this requirement. The lease of a premise that is not yet constructed could also be exempt, however, only if the premise is not constructed after specific guidelines from the government agency.

Depending on the type of public tenant, the degree of specialization differs. The tenants' propensity to prolong their leases at lease-end also differs between the tenants. The below graph illustrates the relationship between the degree of specialization and the propensity to prolong leases at lease-end for different types of public tenants. State financed operations and governmental agencies are more exposed to organizational changes. New standards and directives have in recent years changed how operations in courts and police stations work and therefore the need and layout for certain properties have changed. However, properties hosting courts are specialized to a high degree with e.g. security measures and courtrooms.

Community operations connected to the municipality are more prone to prolong their lease contracts than other tenants (even compared to public tenants). In conjunction with the extension of the leasing agreement, a new rent level is set, e.g. if some renovations or upgrades to the facilities have been made. The willingness to extend the lease is partly due to the great need for the existing properties but also since their operations are more stable and not subject to varying political changes to the same degree. Private high schools tend to not specialize their premises to the same extent as municipal high schools. As an example, in several cities private high schools are located in office buildings. Private high schools also have a greater focus on cost efficiency. As teacher wages increase while the school fees paid by the municipality are constant, private operators work hard to reduce costs instead through optimizing rented premises per student. Digitalization allows for education to be conducted outside of the classrooms to a higher degree.

⁵³ Ekonomistyrningsverket, Förordning (1993:528) om statliga myndigheternas lokalförsörjning 9 §.



Source: Newsec

In Sweden, community service properties are normally not subject to property tax. Properties that are not classed as a special purpose property (e.g. education, healthcare and judicial) are subject to property tax. In those cases, the property tax is normally recoverable from the tenants through a property tax supplement. This is common for buildings with public tenants, such as offices. In a multi-tenant property, the tenant's share of property tax supplements is normally calculated as the tenant's area, divided by the total lettable area of the property. If the rental agreement is shorter than three years, the share is fixed during the rental period.⁵⁴

The base rent in the rental agreement is commonly adjusted annually through indexation, via an indexation clause. The October index, CPI Fixed Index Numbers (1980=100), is generally used for indexation purposes in Sweden. The base year is decided depending on the date the rental agreement starts. Much like for the property tax supplement, the indexation requires a minimum three-year rental agreement. However, it is possible to negotiate the first index adjustment.⁵⁵

Apart from rent, tenants often pay a surcharge for the use of heating, water, cooling and waste management. The tenants normally pay electricity through a separate subscription. The property owner covers costs such as administration, property caretaking, maintenance and insurance. Moreover, the tenants generally cover furnishings. As an example, a Swedish property owner will be able to charge a normal office tenant approximately 50–60 per cent of the property expense. In case of old community service tenant leases, the tenant pays a smaller portion of the property expense in comparison to the normal office tenant. These old commercial property leasing agreements are still active today due to long lease terms and they often get prolonged. However, under newly set up leasing agreements, the tenant often accounts for up to 90 per cent of the property expense.⁵⁶

For municipalities, councils, state or governmental agencies in Sweden that want to erect a community property, the law for public procurement (Swe: Lagen om offentlig upphandling) must be followed. The procurement is done either on the construction of the building or the lease contract. In cases concerning a private community service operator carrying out community services financed by the municipality, the operator follows the law for public procurement with the municipality, though not in connection with the letting of the building, but solely on procurement of the actual service provided (e.g. elderly care).⁵⁷

5.5.4 Demand and supply

In the next few years, the Swedish population will shift to having an increased number of children, as well as an increased number of people in the age group 80+. The reasons for the increase of children in Sweden is that the baby boomers born in the 90's will reach the age where people usually have their own children.⁵⁸ This, together with a high level of immigration, has not only led to the need for approximately 500,000 new homes by 2025, but also that a total area of about 7.7 million square meters of new area in community service properties is required by 2030, according to Newsec. The Swedish Association of Local Authorities and Regions (an organisation that represents and advocates for local government in Sweden. All of Sweden's municipalities and regions are members of SALAR, Swe: SKL) estimates that the Swedish municipalities plan for investments of approximately 120 elderly care homes, over 300 secondary schools and more than 600 preschools between 2017 and 2020.⁵⁹ As the demographic changes lead to a decrease in the tax

⁵⁴ 12 kap. 19 § 3 st. Jordabalken.

⁵⁵ Fastighetsägarna, Indexuppräknning.

⁵⁶ Newsec Advice, Sweden.

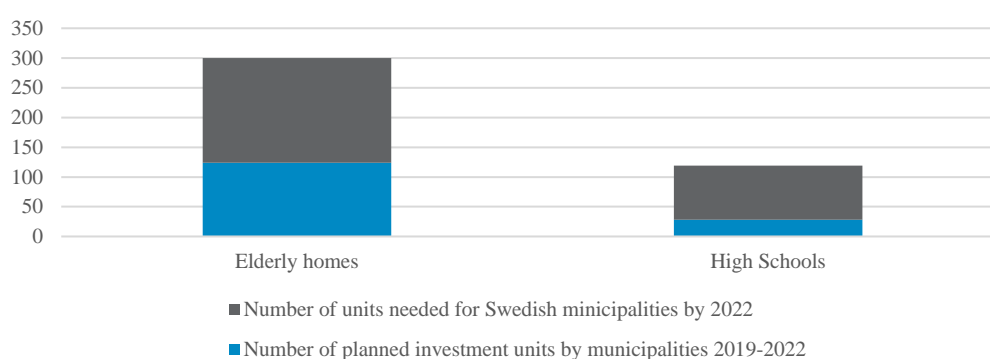
⁵⁷ Konkurrensverket, Upphandlingsreglerna – en introduktion på svenska

⁵⁸ Svenska Statistiska centralbyrån.

⁵⁹ Swedish Association of Local Authorities and Regions, Framtidens fastighetsbehov – Ekonomi.

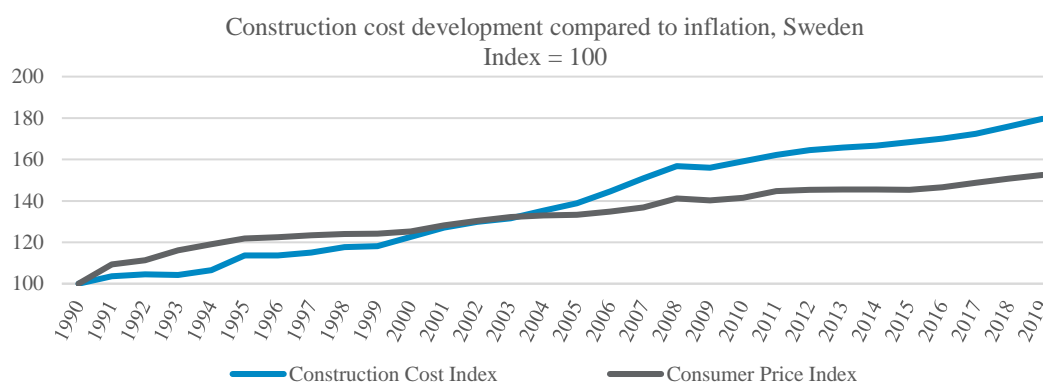
base while this huge investment needs to occur, measures on both the cost and the revenue side are needed. This is an opportunity for private property investors as they can offer both expertise and construction of the needed properties in exchange for a lease contract. Finland and Norway are also experiencing the same types of demographic changes, and in Norway, according to estimations made by Consulting Engineers' Association⁶⁰ and Statistics Norway,⁶¹ a total of 6.2 million square meters of new builds are needed in the public sector to meet the growing demand from a larger population by 2040.

A survey by SALAR (Swe: SKL) on municipalities' new investments within community properties between 2019 and 2022 indicates a great need for especially preschools, secondary schools and group homes. The figures below are based on the municipalities' CFOs answers in the survey. A report from the Swedish Ministry of Finance also indicates a large need for investment from municipalities in the coming years. The report is based on the demographic changes and how these will affect the need for municipal services. The review clearly states a great investment need, especially for elderly homes and high schools. The graph shows an example of the number of planned investment units by municipalities during the period 2019 – 2022 and the required number of units by 2022. The graph below illustrates that the total need for Elderly homes is approximately 2.42 times greater than what is currently planned for and the total need for high schools is approximately 4.25 times higher than what is currently planned for until 2022.⁶²



5.5.5 Construction costs

Construction cost in the Nordics have risen sharply in recent years. Data is available regarding cost for construction of multi-dwelling housing properties.⁶³ From the data we can assume all property construction follows the same cost trend. However, cost per square meter should vary between housing units and e.g. schools or offices as the common areas are bigger and the number of kitchen and bathroom areas are smaller in relation to total floor plan. This should lead to a lower construction cost ceteris paribus. In short, the more specialized a building is, the more expensive it is to build. For example, municipality buildings are not as expensive to build as a hospital.⁶⁴



Source: Statistics Sweden (SCB)

⁶⁰ Consulting Engineers Association.

⁶¹ Statistics Norway.

⁶² Sveriges kommuner och Regioner, Branschdagarna 2019.

⁶³ Statistics Sweden, Faktorprisindex för byggnader, July 2019.

⁶⁴ Newsec Advice, Sweden.

For the most part, construction cost development has surpassed inflation constantly since the late 90's. The spread between development of construction cost and the inflation is relatively large today if compared over a ten-year period (see graph). Between March 2019 and March 2020 construction costs rose by 2.3 per cent. The construction cost development is based on several sub factors such as material cost, wages, equipment costs, transportations etc. and contractor fees. Cost of building material rose by 4.1 per cent, largely driven by cost increase to iron and steel.⁶⁵ Contractor fees rose by 5.9 per cent during the same period. Other sub-factor costs increased by 2 to 3 per cent.

Taking Finland as an example, the construction costs for care buildings are typically € 2,300 – 2,800 per sqm and for educational buildings € 2,500 – 2,800 per sqm. The Norwegian construction costs vary between the segments. E.g. construction costs for a pre-school are approximately NOK 35,000 per sqm⁶⁶ while construction cost for a hospital can vary from NOK 50,000 per sqm to NOK 65,000 per sqm. Hemfosa and Aspelin Ramm managed to build a hospital 25% cheaper than other reference projects, hence the large spread in construction cost for hospitals.⁶⁷

5.5.6 Drivers of rental growth

A key driver for rental growth is the possibility to increase efficiency in the existing properties. Several of the older community service properties have large common areas and are not as efficient as newly produced community properties. New regulations and standards for community properties also affect the efficiency level for a property. A solution could therefore be to renovate and in turn host more students or patients in the buildings. As operators (both municipal and private) are paid per student or patient, a more efficient building would lead to a higher revenue and hence the operator would allow for a higher rent.⁶⁸

In Finland, the rent for community service properties, which has been stable for the last couple of years, is set depending on the construction costs. In short, the rent for elderly care homes in Finland is set depending on demand and supply and the customers' ability to pay. The Finnish population is ageing and in the major cities Helsinki, Tampere and Turku the population is growing. However, in large parts of the country the population is decreasing. This means that there will be an increased demand in the short term for elderly care homes in the whole country. In the long-term, the demand for elderly care homes will mainly be focused to the three larger cities and even decrease in large parts of the country. There is also a positive population growth in some University cities such as Oulu and Jyväskylä, but not to the same extent as in the major cities.⁶⁹

5.5.7 Rental levels

The below tables illustrate the rent levels for different types of community properties in Sweden, Finland and Norway. As for most types of properties, the rent levels are highest in the capitals and the major cities. The higher figure refers to higher standards or new-builds. The table showing the Norwegian rent levels are based on signed contracts over the past two years and the rent levels shown in the office column are expected to increase due to increasing employment.

		Group housing (LSS)	Health care	Education	University	Legal Sector
SWEDEN	Elderly Care					
SEK/sqm/year	Rental Level	Rental level	Rental level	Rental level	Rental level	Rental level
Stockholm Prime	1 700 - 2 600	1 500 - 3 200	1 500 - 3 000	1 600 - 3 200	2 000 - 4 000	1 700 - 4 600
Göteborg Prime	1 600 - 2 500	1 400 - 3 100	1 300 - 2 800	1 300 - 2 400	1 100 - 2 800	1 500 - 3 000
Malmö Prime	1 500 - 2 400	1 300 - 3 000	1 200 - 2 600	1 200 - 2 300	1 400 - 2 700	1 300 - 2 700
Other Major cities	1 100 - 2 400	1 200 - 3 000	1 100 - 2 400	1 100 - 2 300	1 300 - 2 500	1 200 - 2 500
Rest of Sweden	950 - 2 200	1 100 - 2 800	1 000 - 2 000	1 000 - 2 100	1 200 - 2 200	1 100 - 2 200
NORWAY	Office	Group Home	Health Care	Education	Legal Sector	
NOK/sqm/year						
Oslo Prime	2 000 - 3 000 ¹	1 500 - 3 200	1 500 - 3 800	1 300 - 2 900	1 800 - 2 400	

⁶⁵ Svenska Statistiska centralbyrån, Faktorprisindex för byggnader, mars 2020. Link: <https://www.scb.se/hitta-statistik/statistik-efter-amne/priser-och-konsumtion/byggnadsprisindex-samt-faktorprisindex-for-byggnader/faktorprisindex-for-byggnader-fpi/pong/statistiknyhet/faktorprisindex-for-byggnader-mars-2020/>

⁶⁶ Norsk Prisbok.

⁶⁷ Newsec Advice, Norway.

⁶⁸ Newsec Advice, Sweden.

⁶⁹ Newsec Advice, Finland.

Secondary cities ²	1 700 - 2 800	1 100 - 2 500	1 400 - 3 600	1 200 - 2 400	1 700 - 2 200
Tertiary cities ³	1 300 - 2 200	900 - 2 200	1 100 - 3 200	1 200 - 2 200	1 500 - 2 000
1) Prime office rent in Oslo posts around 4 000-6 000. Public tenants tend to rent in the city outskirts. Rent in the above table reflect this.					
2) Bergen, Stavanger, Trondheim.					
3) E.g. eastern part of Norway, Drammen, Kristiansand.					

FINLAND EUR/sqm/year	Elderly Care Rental level		Daycare Rental level		Education Rental level	
	New	Old	New	Old	New	Old
HMA*	205 - 230	190 - 215	190 - 205	170 - 190	215 - 300	170 - 230
Tampere.....	190 - 215	170 - 190	180 - 205	145 - 155	190 - 240	130 - 190
Turku	190 - 215	170 - 190	180 - 205	145 - 155	190 - 240	130 - 190
Oulu	190 - 215	170 - 190	180 - 205	145 - 155	190 - 240	130 - 190
Jyväskylä.....	190 - 215	170 - 190	180 - 205	145 - 155	190 - 240	130 - 190
Other	180 - 205	120 - 180	180 - 205	110 - 145	170 - 205	120 - 180

*Helsinki Metropolitan Area

DENMARK DKK/sqm/year	Elderly care Rental level		Senior home Rental level		Health care Rental level		Education Rental level		University Rental level		Legal sector Rental level	
	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old
Copenhagen.....	1 375 - 2 000	1 375 - 2 000	1 000 - 1 900	1 400 - 2 000	1 400 - 1 950	1 300 - 1 950						
Århus	1 125 - 1 400	1 125 - 1 400	800 - 1 300	1 000 - 1 300	1 000 - 1 300	900 - 1 475						
Odense	825 - 1 225	825 - 1 225	600 - 1 100	600 - 1 100	600 - 1 100	600 - 1 100						
Other large cities.....	750 - 1 100	750 - 1 100	500 - 800	500 - 1 100	500 - 1 100	500 - 1 100						
Rest of Denmark	575 - 900	575 - 900	500 - 700	500 - 700	500 - 900	500 - 900						
Copenhagen.....	1 375 - 2 000	1 375 - 2 000	1 000 - 1 900	1 400 - 2 000	1 400 - 1 950	1 300 - 1 950						

5.5.8 Vacancy rates

In Sweden, the occupancy rate is higher than for other real estate segments, which is partly a result of the premises generally being more customized than, for example, office premises. Higher rent levels and longer contract times generally follow a larger tenant adaptation on lease contracts resulting in a low vacancy risk. As a result, the propensity to leave premises is lower for community service tenants than for the average office or retail tenants. The demographic trends and the already great lack of community service properties is also a reason for the low vacancy. New laws and standards for the premises used by community properties could affect the vacancy risk.

In Denmark, the vacancy rates are not normally analysed in the community service property market. An example however is that during the last decade, the political environment has focused on economies of scale and many of the smaller day care institutions and schools remain vacant after mergers. The structural change can also be seen in the vacancy rate on the regional level, where many smaller hospitals have become vacant. In Finland, the average occupancy rate in community service properties is approximately 80 per cent.⁷⁰

There are no exact figures available for vacancy rates for public properties in Norway. On the other hand, one could argue that the very nature of the tenants will ensure that the premises often are 100% leased. In the legal sector, such as e.g. police stations, the tenant will naturally occupy the whole building, and the same goes for group homes, health care and for most of the education type of properties. The office segment may differ, as smaller parts of the building could be leased to other non-public tenants. The nature of tenants, together with lengths of contracts normally being long, results in the occupancy rate for public properties generally being high and thus the segment carrying a low vacancy risk.⁷¹

⁷⁰ Newsec Advice, Sweden.

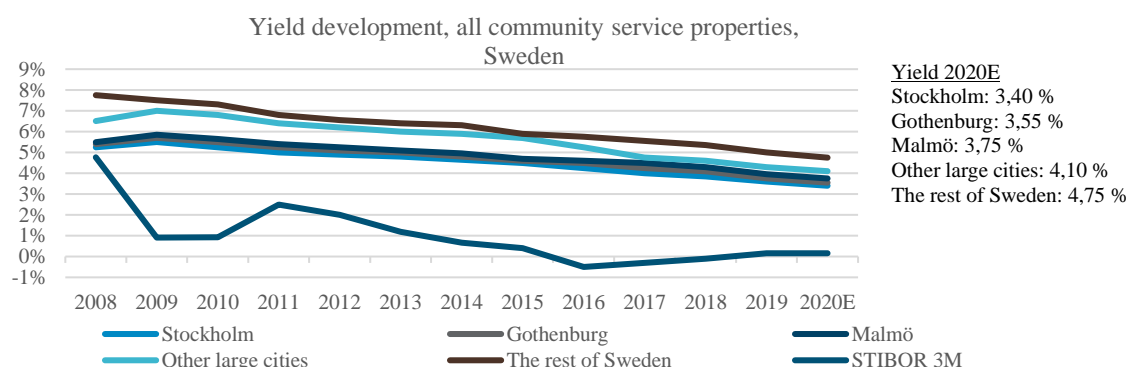
⁷¹ Newsec Advice, Sweden.

5.5.9 Yield data

Yields represent net yields and the yields given in each graph below for 2020e are an estimate of the net yield levels at year end 2020. As interest for investing in community properties has increased, the yields have decreased. The different sub-markets for community properties differ in terms of maturity, specialization, tenant type and national attributes, and hence yield levels differ between the property types in the Nordic countries. Even though the yield levels in the Nordics for community service properties are low, there may still be some room to further lower the yields. This is due to the gap between the yields and the STIBOR 3M and EURIBOR 3M (see graphs for Sweden and Finland).

5.5.10 Sweden

In Sweden, most types of sub-segments of community properties are traded on the market. Depending on the specialization of the property and the tenants' tendency to move, yields differ between sub-segments. However, the yield spread for each sub-segment does not differ substantially depending on the geographical location to the same degree as e.g. office properties where large spreads between micro locations and municipalities exist.



Sources: Newsec, Statistics Sweden (SCB)

The sub-segment with the lowest yield is usually elderly care homes and group homes for people with disabilities (LSS: The Act of support and service for some disabled people) as these properties are not fully specialized and conversion to regular housing is easy. Elderly care homes in good locations in the Stockholm area (excluding the inner city) yield 3.50-3.75 per cent whereas group housing for people with disabilities in similar locations yields 4.00-4.50 per cent. In these properties, the patients normally spend a longer time than children in preschools or students in high schools and therefore demand does not vary as much.

Preschools yield around 4.25-5.00 per cent in the Stockholm area (excluding the inner city). Primary schools and high schools are deemed less specialized and more prone to move or relocate if student demand changes.

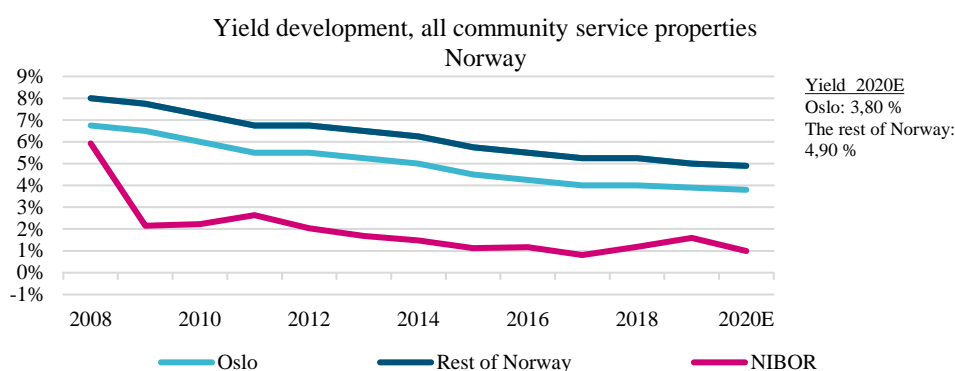
Investors also seem to apply an additional risk for private high schools, at least in part due to the John Bauer group's bankruptcy in 2013 that left 10,500 students to find new accommodations for their education. Therefore, the sub-segment yields at slightly higher levels.

Community properties within the judicial sector such as courts and police buildings are generally not prone to move and hence attract yield levels between 3.75-4.50 per cent. One aspect for investors to take into account is the risk for tenants from the state being more subject to organizational changes than municipal tenants are. In recent years, the Swedish Police Authority and the Swedish Public Employment Service have undergone large organizational restructures in which premises were vacated. Therefore, properties with these types of tenants are traded at a higher yield spread in certain locations such as in smaller municipalities with poor population development compared to e.g. elderly homes.

5.5.11 Norway

On the Norwegian market, the largest sub-segment consisting of office type properties with public tenants are traded with large spread depending on locations (as for office properties in general). Public tenants often have a clause enabling them to terminate the contract before expiration if they are subject to organizational changes such as consolidating different offices or services. For Oslo, yields in the range of 3.80-4.50 per cent are observed. On the secondary markets, mainly Bergen, Stavanger and Trondheim, observations of transactions in the range of 4.5-5.75 per cent have been made. In the more rural areas, there is a greater re-letting risk if the public tenant decides to move. Here, observations in the range of 5.00-6.50 per cent have been made. However, these yields are far lower than office type of properties

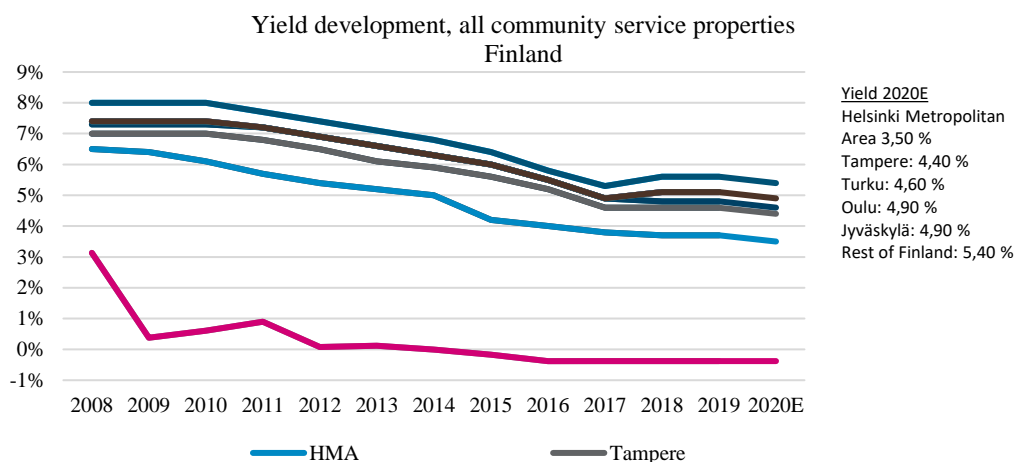
without a public tenant in tertiary markets, where yields rarely are seen below 6.50 per cent. The judicial sector, dominated by police buildings, is generally not prone to move, hence the yield is not as sensitive towards location as the office sub-segment. Here, observations of yields are in the range 4.50-5.75 per cent. In the educational segment, dominated by universities/colleges, there is a somewhat larger risk of vacancy as tenants could decide to relocate if student demand changes. However, as the length of the contract often is long, observations of yields range between of 4-5 per cent, independent of location. Group homes is the sub-segment with the sharpest yields independent of location. With lease contracts stretching all the way up to 30 years, observations of yields in the range of 3.6-4.5 per cent have been seen, independent of location. The down-side risk is low as conversion to regular residential often is doable. The healthcare type properties are often more specialized, and the yield could range from 5.5-7.5 per cent despite the lease term being long, and the building centrally located.



Source: Newsec

5.5.12 Finland

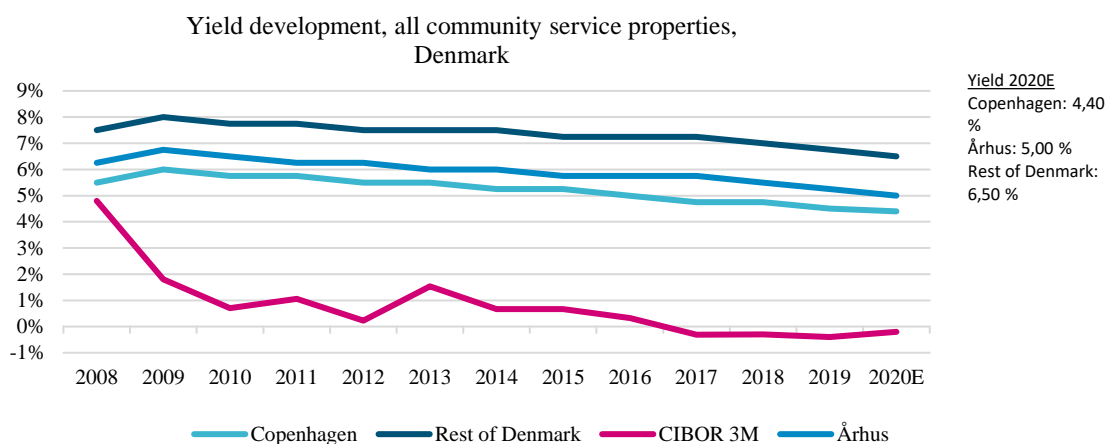
The yield development on the Finnish market has been similar to Sweden (see the graph below).



Source: Newsec

5.5.13 Denmark

In Denmark, community service properties are commonly compared to office properties since in most cases a community property can be used as an office. The yield depends on the credit worthiness of the tenant, the length of the lease agreement and location and condition of the property.



Source: Newsec

5.5.14 Transactions volumes data

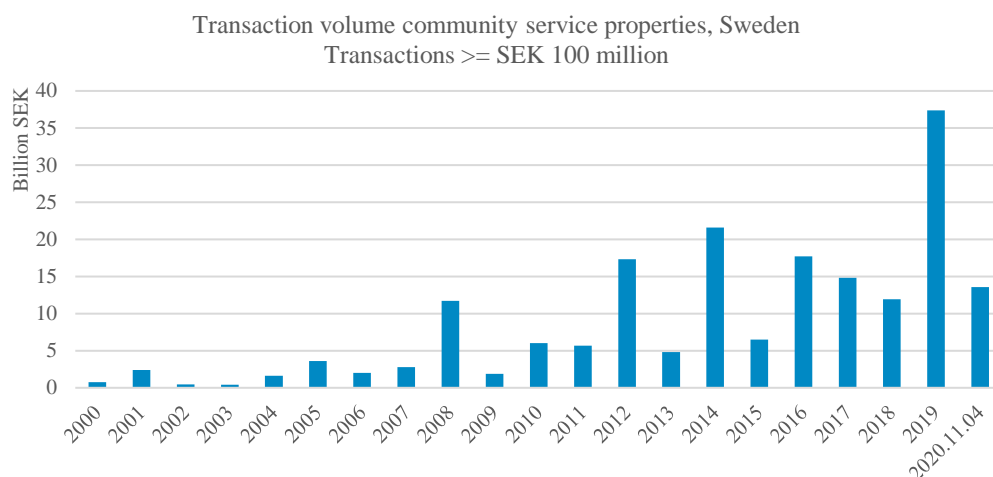
5.5.14.1 Sweden

The Swedish transaction market for community properties reached a transaction volume of almost SEK 38 billion in 2019, corresponding to 18 per cent of the total transaction volume. As of 2020-10-31, the investment volume surpassed SEK 14 billion, which indicates a relatively strong overall year for the segment in 2020. If more community service properties had been available on the market, 2020 would likely have been a stronger year for the segment. In general, as the interest in the segment is rising, the investment volume is also increasing. E.g. in year 2000, the Swedish transaction volume for community service properties was approximately SEK 740 million as opposed to the 2019 volume of SEK 38 billion.

As municipalities to a larger extent allow for private investments for new buildings, several forward funding transactions have been observed across Sweden. Developers such as Skanska, NCC and Serneke have divested community properties through forward funding. In most of these transactions, the property includes a long lease-term with either state, county councils, municipalities or private operators (which operations are financed by state, county councils or municipalities).

Many of the forward funding transactions regard properties used for elderly or health care, but also cover schools, universities and court buildings. Private actors are increasing their share of the market and there is also an increasing number of public tenants that sign lease contracts in newly produced properties built and owned by private investors. An example is the new public cultural centre in Skellefteå built by SBB and the new judicial centres in Sollentuna and Malmö being built by VACSE and Castellum.

The large deviation in the transaction volume in 2008 and 2012 is due to Kungsleden's divestment of Hemsö, through several transactions to the Third Swedish Pension Fund. In 2014, numerous larger transactions occurred on the Swedish market such as Hemsö's property exchange with Hemfosa, Akademiska Hus' divestment to Stockholm municipality and Rikshem's acquisition from Nacka municipality. From 2016, the market volume of community properties has shown strong figures consistently.

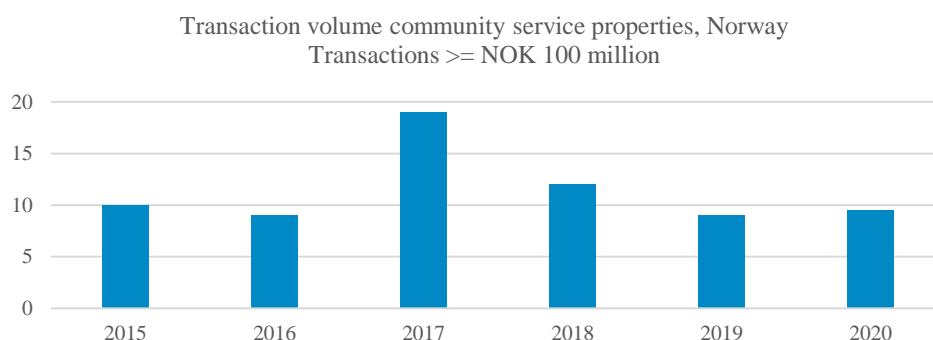


Source: Newsec

5.5.14.2 Norway

The Norwegian market for public properties is also dominated by municipalities, counties and state. However, police stations and day cares are often owned by private companies or investors. Private companies dominating the day care segment are e.g. Pioneer, Altor Equity Partners, Infranode, Trygg Barnehager and SPG. The Norwegian transaction market for public properties reached a record high volume of NOK 19.1 bn in 2017. The large deviation is due to an active year for the segment, with almost 50 per cent more transactions being closed compared to the other years. Both office, properties related to health care and legal sector came to the market that year. The headquarter for the Norwegian Water Resources and Energy Directorate was sold off by Entra to an NRP syndicate for NOK 1.3 bn. Even though the remaining lease term was only 8 years, the net yield was 4.4 per cent, proving sharp yields also for shorter contracts with public tenants. Forskningsveien 2 with a 14-year lease term with Oslo University Hospital was sold for NOK 1.1 bn yielding 4.4 per cent to a Pareto syndicate. 2017 also saw the forward sale of the new building for The National Criminal Investigation Service for NOK 1 billion. A syndicate made by Arctic bought the building at 4.2 per cent yield with a 15-year lease contract.

In 2019, the community service property transaction volume in Norway reached NOK 9 billion, corresponding to approximately 10 per cent of the total transaction volume. As of 2020-09-30, the transaction volume is around NOK 9.5 billion.



5.5.14.3 Finland

Much like in Sweden, the Finnish market is dominated by municipalities. Some of the private property companies owning community properties are Trevian, EQ Hoivakiinteistöt Oy, Northern Horizon Capital, Auratum, Evli, Ilmarinen, Etera, Soumen Hoivatilat Oy, Titanium, Hemsö and SBB. The Finnish market for community properties has been growing since 2013 when it amounted to € 0.2 billion and the highest investment volume recorded was for the year of 2018 and amounted to approximately € 0.7 billion.

5.5.14.4 Market players and size

An increasing number of public actors are opening for more divestment to private actors in order to raise capital in order to maintain quality and invest in the existing property stock, as well as produce new housing, finance care and education

and invest in important infrastructure. Among new production of community service properties the share of private investors is assessed to be higher. As an example, in Sweden, for group homes for people with disabilities, the municipalities build 44 per cent of new production, while private investors or the municipal public housing companies build the rest.⁷²

5.5.14.5 Ownership structure and market size

The market for community service properties has grown exponentially in the last few years and with it, the number of companies focusing on these properties has increased accordingly. The market for public properties in the Nordic region is still dominated by the municipalities, counties and state.

In Sweden, there are a number of specialized companies such as SBB, Rikshem, Hemsö, and Vacse and several other large actors are branching out towards community service properties. In addition to the mentioned actors, capital is flowing into the sector from pension funds and insurance companies, e.g. Rikshem, Hemsö and Vacse are owned by Swedish pension funds. SBB and Rikshem have similar strategies with residential properties in the portfolio in addition to the community properties. The low risk that stems from publicly owned tenants or private welfare providers funded by the public appeals to investors with long holding horizons. The demographic situation in the country with a decreasing part of the population being of working age definitely increases the attractiveness of the segment. Most actors agree that the demand for community service properties will keep on rising both in the near future but also in the long-term due to the structural demographic changes. The total market value for public properties is roughly estimated to around SEK 1,000 billion in Sweden, of which some 20 per cent is owned by private investors.⁷³

In Norway, there is in total 35 million square meters currently used in the public administration, of which 1.9 million sqm are leased from the private sector. The main players in the Norwegian market for public properties are SBB, Arctic and other investors. Other investors are e.g. Clarkson Platou Real Estate, Njord, NRP (Ness Risan & Partners) and Pareto.

In Finland, the estimated market value is approximately EUR 35 billion and the private market for community properties is dominated by a few large operators such as Attendo, Pihlajalinna, Esperri, Touhula and Pilke Päiväkodit. These operators are located all over Finland.

The Danish market is not as focused on the community properties as in e.g. Sweden and Finland. However, in recent years the interest for community properties has increased, driven by the fact that there is a demand for approximately 30 per cent more community properties until 2030. The main reason for the high demand is an ageing population. The Danish pension funds e.g. PFA, AP Pension and Pension Danmark are some investors.

5.5.15 Market players

Community service property owners and investors

Sweden	Norway	Finland	Danmark
<ul style="list-style-type: none"> SBB Rikshem Hemsö Vacse 	<ul style="list-style-type: none"> SBB Arctic Clarkson Platou Real Estate Njord NRP Pareto 	<ul style="list-style-type: none"> Attendo Pihlajalinna Esperri Touhula Pilke Päiväkodit 	<ul style="list-style-type: none"> PFA AP Pension Pension Danmark

5.6 Rent regulated residential

5.6.1 Introduction

On 2019-12-31, the Swedish housing stock consisted of approximately 5 million dwellings. 51.5 per cent of the dwellings were in multi-dwelling buildings and 42 per cent were in one- or two-dwelling buildings. The remaining 6.5 per cent consisted of special and other housing. There are three types of tenures in Sweden, owner-occupied (mostly one-dwelling buildings), housing cooperative and rental buildings. Of the 5 million dwellings, approximately 38 per cent are rental units, 38 per cent are owner-occupied and the remaining 24 per cent are cooperative apartments.⁷⁴ As the owner of a cooperative apartment, you are also a member of a housing association, or a housing cooperative, which is a type of legal entity or economic association. The owner of a tenant-owned apartment does not own the specific apartment, but

⁷² Boverket, Bostadsmarknadsenkäten, 2019.

⁷³ Hemfosa Annual Report 2018.

⁷⁴ Statistics Sweden

owns a part of the housing cooperative which in turn owns the building. The owner of a cooperative apartment owns the right to use the apartment until it is sold. Condominiums, as known in the United States, is a new form of tenure in Sweden, which was approved by law in 2009. Therefore, the market for condominiums is almost non-existent as of today.⁷⁵ In multi-dwelling buildings, rental dwellings are the most common form of tenure. Rental dwellings represent 57 per cent of the total dwelling stock in multi-dwelling buildings, while 43 per cent consist of cooperative apartments. Of all rental dwellings in Sweden, municipal property companies own approximately 50 per cent.

5.6.2 Key regulation and process of determining rent

Rents for rental apartments in the existing stock built before 2006 are regulated by the utility value system. The annual rental increase is determined, following the utility value system, in collective negotiations between the property owners and the Swedish Union of Tenants (Sw. Hyresgästföreningen). The rent formula used in the utility value system is based on a normative rent for a hypothetical apartment of 77 sqm and with 3 rooms (UK 2-bed). Different sizes of apartments are also awarded a certain amount of points, which are considered in the rent calculation. The rent formula is used to calculate the annual rent of the apartment. The example below illustrates the calculation of an apartment with two rooms and a kitchen (40 points) of 45 sqm and with the normative rent of SEK 850/year/sqm.

$$\frac{\text{normative rent} * (\text{area} + \text{apartment points}) * 77}{121} = \text{annual rent} \qquad \frac{850 * (45 + 40) * 77}{121} = \text{SEK } 45,977$$

The collective negotiations take into account that the rents should be set in relation to, and have similar rent levels as apartments with resembling standards, location, equipment and tariff-related costs. Examples of tariff-related costs are heating, water, electricity, property tax and much more. Proximity to the centre, shops, preschools and convenient public transportation and the areas image and reputation is also considered when the property owner and the Swedish Union of Tenants negotiate the rent. In short, the rents are set in comparison with similar flats in similar areas. Annually, the Union of Tenants and property owners negotiate for next year's rent growth.⁷⁶

The rents in the existing stock tend to be below the market rent, at least in attractive locations, while rents in new build apartments are closer to market rent due to different ways of determining the rent. One contributing factor to the low rents in the existing stock is the fact that the members of the Union of Tenants are already living in rental apartments which means that the Tenants Association has no incentive to work for a more flexible and dynamic rental market. In some areas of the country, a systematic rent model is applied which is a development of the utility value model and is based on the tenants' general values regarding apartment standards and its utilities. The tenants' values are translated into a scoring system that forms the foundation when deciding the rental level.

In order to create incentives to build new residential properties with rental dwellings, presumption rent (Sw. presumtionshyra) is used. Rents for newly constructed housings are more market-oriented than utility value rents and can be determined in two different ways, either by negotiating a presumption rent or by individual rents. The presumption rent model is used for newly produced rental housings and is based on the production cost of the apartment instead of the utility value. The purpose of the presumption rent is to encourage new construction of rental properties by enabling the property owner to set a higher rent than the utility value system would allow. If the utility value system were to apply to new production as well, housing development would not be profitable. The presumption rent is set at a level that covers the developers' construction cost and allows for a profit margin in the project. Hence, these rents are seen as more market-oriented. Once the rent is decided, it follows the same growth as the rents in the older stock. After the first 15 years with presumption rents, the regulation system used switches to the utility value system. The presumption rent system was implemented in 2006 and therefore no apartments with presumption rents have yet been through a transition to the utility system. The presumption time of 15 years was decided to give construction companies even more incentive to build new residential buildings since they are guaranteed a fair rent level for a determined period of time.⁷⁷

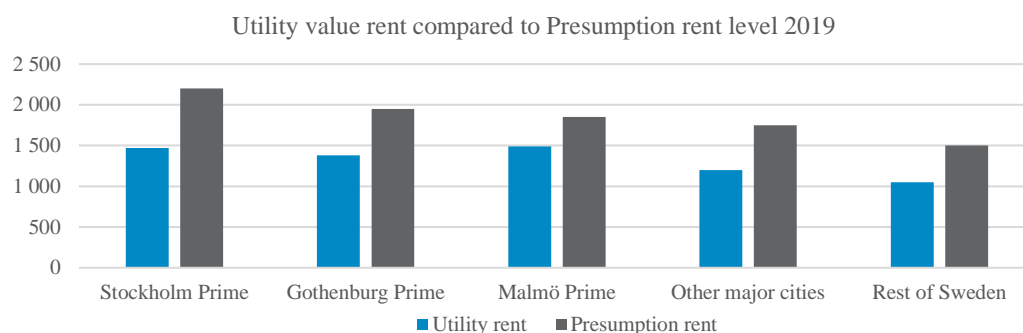
The difference between the utility rent and presumption rent is often large. As an example, in Stockholm, the average utility rent in the end of 2019 ranged between SEK 1,200-1,600 sqm/year depending on the size of the apartment. The average presumption rent in the Stockholm region for the same apartment sizes was between SEK 1,800-2,300 sqm/year with top rents noted at SEK 2,600 sqm/year. The same rents in Gothenburg and Malmö are a bit lower than in Stockholm and in the other major cities, the average utility rent was approximately SEK 1,200 sqm/year and the presumption rent

⁷⁵ Newsec Advice, Sweden.

⁷⁶ Hyresgästföreningen. Så går en hyresförhandling till.

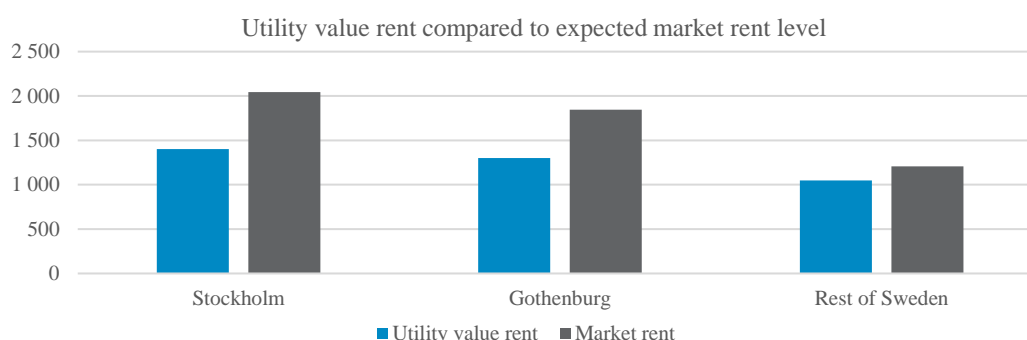
⁷⁷ Sveriges Allmännytt. Presumtionshyra vid nyproduktion

was SEK 1,750 sqm/year. The Utility value in the rest of Sweden was on average SEK 1,050 sqm/year and the average presumption rent was approximately SEK 1,550 sqm/year.⁷⁸



Source: Newsec

There is a political discussion concerning whether to introduce market rent in Sweden. The market rent means that the property owner is able to decide the rent level without having to negotiate with the Union of Tenants (Hyresgästföreningen). The market rent model is based on demand and supply, meaning that the tenant that is willing to pay the most will be the one renting the apartment, leading to higher rents. The political parties that want to introduce market rent are mainly the centre-right parties (M, L, KD, SD, C). The Union of Tenants conducted an investigation where they examined how market rent would affect the housing rent levels in Stockholm, Gothenburg, and other Swedish cities. The data shows that the average rent in Stockholm would increase by 46 per cent if market rent were to be introduced. In Gothenburg rent levels would increase by 42 per cent, and Newsec estimates that the rent in the Rest of Sweden would increase by an average of 15 per cent. The rent increase is illustrated below using an estimated average rent in each city.⁷⁹



Source: Newsec, Hyresgästföreningen

5.6.3 Residential renovation business model

Property owners may renovate their properties, enabling them to charge higher rents and at the same time improve the property value and attractiveness. This is possible due to the fact that the utility value system is based on the apartment and building standard. Some companies in Sweden such as, but not limited to, e.g. Hembla (former D. Carnegie) and Victoria Park have made this their business model. They buy properties that were built during the Million Programme (1965-1975) and instead of renovating the complete building at once, they renovate apartment by apartment when the tenants move out. Types of improvements on a property that are rent-enhancing include improvements in all common areas and individual apartments. The rent-enhancing improvements in common areas are e.g. renovations of stairwells, corridors and laundries. The rent-enhancing improvements in individual apartments are e.g. instalment of a modern kitchen, new bathroom, fresh surface layers and other improvements that improves the dwelling. Hembla states that after a refurbishment that costs about SEK 4.500 per square meter, rents normally can be increased by ~40-50 per cent, resulting in a generally higher rent level nationwide as old dwellings are being refurbished. Further, a number of players claim that the costs per apartment in multi-dwelling buildings can be cut by ~10-15 per cent due to lower

⁷⁸ Newsec Advice, Sweden

⁷⁹ Hyresgästföreningen, Hyresgästföreningens rapport om marknadshyror, 2018 (Sammanställning av undersökningens resultat, procentuell höjning sorterat efter ort och postnummer).

operating and maintenance costs.⁸⁰ Foreign companies have seen the great potential in this and the Swedish actors Hembla and Victoria Park were recently bought. In 2018, Vonovia, the largest residential company in Germany purchased Victoria Park, while in autumn 2019, they purchased Hembla.

Area	Rent levels (SEK/sqm)			Net yield	
	New production	Post refurbishment	Non refurbished	Low	High
Stockholm Prime	2,100 – 2,500	1,425 – 1,675	975 – 1,325	1.25%	3.25%
Göteborg Prime	1,700 – 2,300	1,200 – 1,600	1,000 – 1,300	1.50%	2.50%
Malmö Prime	1,600 – 2,000	1,400 – 1,700	900 – 1,200	2.25%	3.75%

Source: Newsec

5.6.4 Comparison to other Nordic countries, Germany and the United Kingdom

The rent regulation systems differs from country to country in Europe, but there are also a few similarities. The Swedish organization Fastighetsägarna has charted the different regulations in Denmark, Finland, Germany and the UK.⁸¹

The Finnish rental housing market is well functioning and in comparison to Sweden, there is a balance between supply and demand. The number of newly produced rental dwellings is higher than ever before and in 2017, the homelessness had fallen six years in a row. In Finland, there are two forms of rental housings; the ones built using state or subsidized loans (Arava apartments), and those that are privately funded. The Arava apartments are regulated and the rent is set to cost while the privately funded rental housings use market rent. The Finnish government introduced market rents in 1992 and during 1995 to 2000, the rents in the privately funded housing stock increased by 26 per cent. In Helsinki the rents increased by 42 per cent, which corresponds to 5-9 percent per year. Finland has one of the more liberal securities of tenure in Europe meaning it is relatively easy to terminate a leasing agreement (for the property owner). Approximately 1 out of 5 households receive housing subsidies. All households with low income have the right to subsidies.

The Danish rent regulation system is much more complex than the Swedish. In total there are five different forms of rent regulation that apply to different types of buildings and construction year. As an example, the rents in the municipal housing companies are determined based on the construction and operation costs. For the private property companies, the regulations vary because the different municipalities themselves decide whether the rents should be regulated or free. In the Danish capital Copenhagen, the rent is regulated, and in the country as a whole, 9 out of 10 privately owned rental housing properties are subject to rent regulation. Most of these have a rental level that is set to cover the operational and maintenance costs and a fair return to the property owner. Market rent is also applicable in all municipalities for all privately owned housing properties built after 1991. The security of tenure is in Denmark similar to the Swedish, acting in favour of the tenant. The rental market in Copenhagen is reminiscent of the one in Stockholm with an undersupply of rental dwellings with a long housing queue.

5.6.5 Leasing agreement structure

In Sweden, leases for housing are in most cases agreed to be effective until further notice but can also be set over a fixed term. The rent is paid one month in advance and a deposit is generally not requested, however there is no law preventing the property owner from securing a deposit. Termination periods are in most cases (but not always) three months for both the property owner and the tenant. Included in the rent besides the dwelling is heat, water and in some cases electricity. When an individual is applying for a rental agreement, the property owner normally checks for references and if the tenant has any record of non-payment. Often, the property owner also wants to see that the tenant has a stable income and should have a certain amount of money left each month after having paid the rent. The latter varies from property owner to property owner (if they have it).

Tenants in Sweden have a strong security of tenure. Hence, it is hard to vacate problematic tenants. The security of tenure means that the lease agreement will usually continue even if the property owner has terminated it. The security of tenure can however be broken if the tenant has not paid rent, disturbs neighbours or if the building is to be demolished or rebuilt.⁸²

In Sweden, there are housing allowances provided for those with low income or who for some other reason have difficulties to acquire a home on market terms. The subsidy is paid out to people with children, who are retired or are in

⁸⁰ Hembla (tidigare D. Carnegie), Prospekt, mars 2014.

⁸¹ Fastighetsägarna, Hyresmarknaden i sex storstäder (2018).

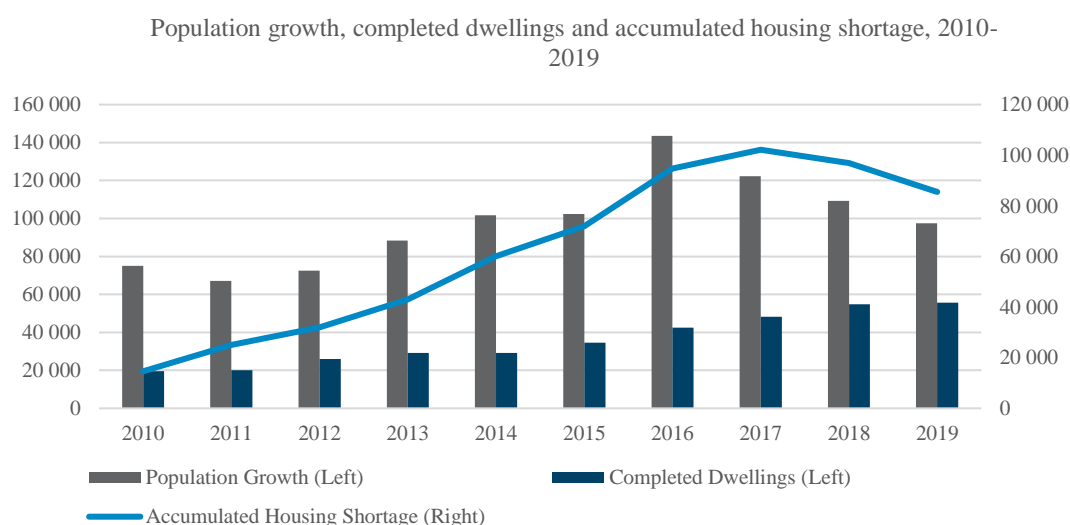
⁸² Hyresnämnden.

the age span 18-28 years old and is based on how many people live in the household, the cost of the housing, the size of the housing and the households' income and fortune.

5.6.6 Demand and supply

As urbanisation continues, larger cities and regional cities are expected to experience a continued population growth and hence, maintain the high demand for housing. It should however be noted that demand for newly produced apartments, which in general are more expensive than the ones in the older stock, is lower than before. This leads to a higher turnover rate among tenants. The National Board of Housing, Building and Planning state that about 74 per cent of the Swedish municipalities are experiencing a housing shortage, creating a strained situation for the ones standing outside of the housing market and only 66 municipalities state that there is balance on the housing market.⁸³ As a result of the urbanization and housing shortage, the housing queues are getting longer and longer. At the end of 2019, there were 674,720 people registered in the Stockholm housing queue which was an increase of 38,990 people since the year before. The Stockholm housing queue covers not only the municipality of Stockholm, but the whole Stockholm region. Important to note is that there are roughly two million people living in the Stockholm region. During 2019, there were 15,030 dwellings mediated in Stockholm and the average queue time for a normal rental dwelling was 10.5 years.⁸⁴

Statistics Sweden (SCB) estimate that the Swedish population will grow to 10,786,000 people as of 2025. The number of completed dwellings has steadily increased almost every year since 2010 and in 2019, approximately 56,000 dwellings were completed, which can be compared to approximately 20,000 completed dwellings in 2010. In Sweden, there has been a housing shortage since 2010, which reached its peak in 2017 with a shortage of almost 89,000 dwellings. 2017-2018 was the first year since 2010 that the housing shortage has declined. The new production of residential buildings is an important component to local, regional and national growth and based on the population growth, the National Board of Housing, Building and Planning has estimated that to meet the housing demand, 67,000 dwellings have to be built every year 2018-2025. However, the forecast for housing construction is lower than the estimated need and demand.⁸⁵



Source: Statistics Sweden (SCB)

5.6.7 Building rights

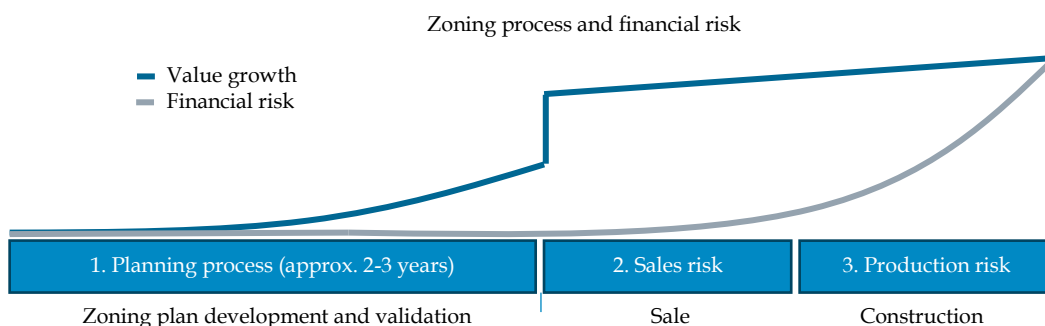
A building right always starts with a zoning plan. The zoning plan process is done by the municipality and its main function is to regulate what can be built on a piece of land/property. Once the municipality has a zoning plan proposal, they send it out for consultation to the County Administrative board, authorities and other interested parties. The purpose of the consultation is to gather information, wishes and points of view that affect the proposed zoning plan at an early stage in the process. A zoning plan takes approximately 2-3 years depending on complexity and number of parties involved. Once the zoning plan is approved/validated, the land/property receives a big value increase since building on the land is now permissible. Up until this stage, there is also a very low financial risk involved. The financial risk starts

⁸³ Boverket, Resultaten från Bostadsmarknadsenkäten, 2020

⁸⁴ Bostadsförmedlingen, Stockholm

⁸⁵ Boverket, Boverkets indikatorer, Nummer 1, juni 2019.

to get bigger when construction is started, since the property owner and developer is putting money into the project and then has to either sell the project or find tenants.



The market for building rights has cooled off considerably since the peak in 2017. The number of building rights granted for building cooperative apartments has decreased sharply, while the number of building rights granted for rental housing and commercial properties remains at high levels, driven by an increased interest from investors. The market for building rights is driven by supply and demand and since there is an oversupply of cooperative apartments, the prices has dropped. Rental dwellings however have long seen an undersupply, hence the prices for building rights has remained steady. Historically, development of cooperative apartments has been more lucrative than the development of rental dwellings given that the developer manages to sell all dwellings to a certain price. Today, with the oversupply of the cooperative apartments, some developers are buying building rights for cooperative apartments hoping to sell them, but have a plan B to convert the project into rental dwellings. This implies that the rental dwelling market is a good investment as long as there is demand, hence the interest from investors.⁸⁶

The prices for building rights vary depending on where in the country they are located. Even different locations in the same city can have large differences in price. Newsec estimates the building right prices in Sweden to vary between SEK 0 to SEK 40,000. The price is set by a combination of demand and supply and the ability for the developer to make a profit. Less possibility to make a profit means less demand resulting in cheaper building rights. The upper half of the interval is found in the three major cities, and the most expensive building rights are found in Stockholm. Important to note is that the price of SEK 40,000 is an estimation of top-listings. Building rights in regional cities are priced up to around SEK 10,000 and in smaller cities and the rest of Sweden, building rights are often priced up to around SEK 5,000.

5.6.8 Evolution of mortgage interest rates

Interest rates in Sweden have steadily declined in recent years, just like most other Western countries. Swedish mortgage rates have followed. After the financial crisis in 2009, the Swedish Riksbank drastically lowered the key interest rate which in turn led to lower mortgage rates. As the key interest rate has continued down, so too have the mortgage rates. As of June 2020, variable mortgage rates (3 months) were around 1.6 per cent and the five-year fixed just shy of 1.8 per cent.⁸⁷ In Denmark, mortgage rates are even lower than in Sweden and in some cases mortgage lenders actually pay borrowers.⁸⁸

The mortgage interest rate is one of the most important drivers of the housing prices. A low mortgage rate makes it cheap to borrow money for a residence, resulting in individuals spending more on their accommodation.

5.6.9 Development of housing prices

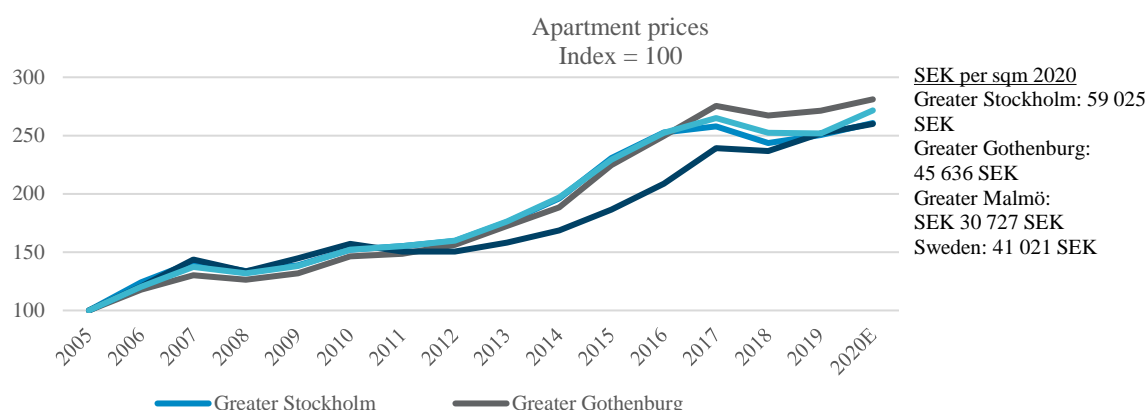
Generally, it could be said that Swedish housing prices for ownership rights and cooperative apartments constantly rose between 1993/1994 (end of the real estate crisis) until 2017 when new financial regulations were introduced. The long rise in housing prices mainly depends on the low interest rate and decrease in unemployment and an increase in income. The financial regulations introduced in 2017 are meant to protect individuals from borrowing too much money in case the interest rate does go up. The regulations include a mortgage limit, meaning that an individual only can borrow a certain amount of money to buy a dwelling, based on their income. Also, there is a requirement that the individual has to be able to make a down payment which corresponds to a minimum of 15 per cent of the total purchase sum. This limits purchasing power and led to a price drop. Another reason that caused housing prices to drop in 2017 was an

⁸⁶ Newsec Advice Sweden

⁸⁷ Sveriges riksbank.

⁸⁸ The Guardian, Danish bank launches world's first negative interest rate mortgage, 13 august 2019.

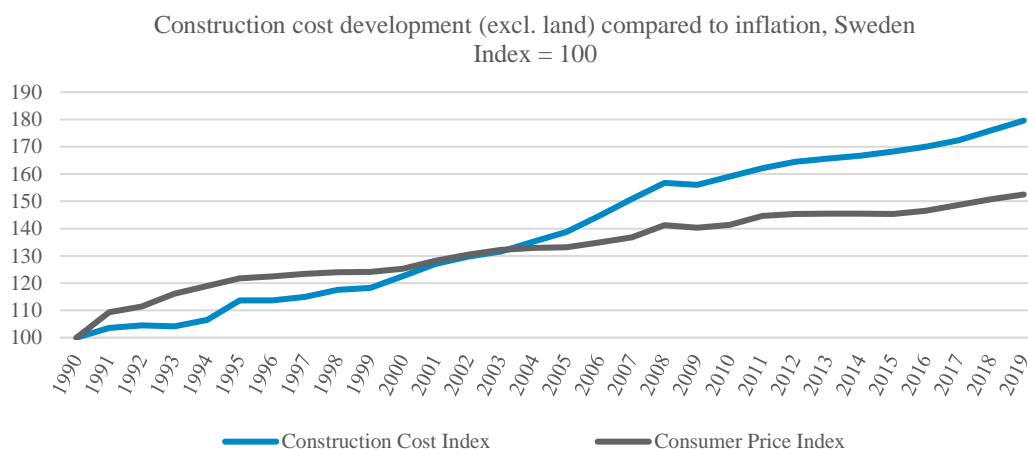
increased supply of newly constructed apartments. This contributed, in the short term, to a generally high supply of housing. The average housing price for housing cooperative apartments per sqm in Sweden 2019 was SEK 38,033.⁸⁹



Source: Mäklarstatistik

5.6.10 Construction costs

Construction costs excl. land cost in Sweden have in recent years developed stronger than inflation. This is due to the housing boom where construction rose dramatically and created a shortage of workers and materials. Housing prices experienced a correction in late 2017 when new regulations primarily regarding mortgages were introduced with nervousness on the market as a result. This has led to a sharp decline in construction pace, which in turn is expected to drive down construction costs.



Source: Statistics Sweden (SCB)

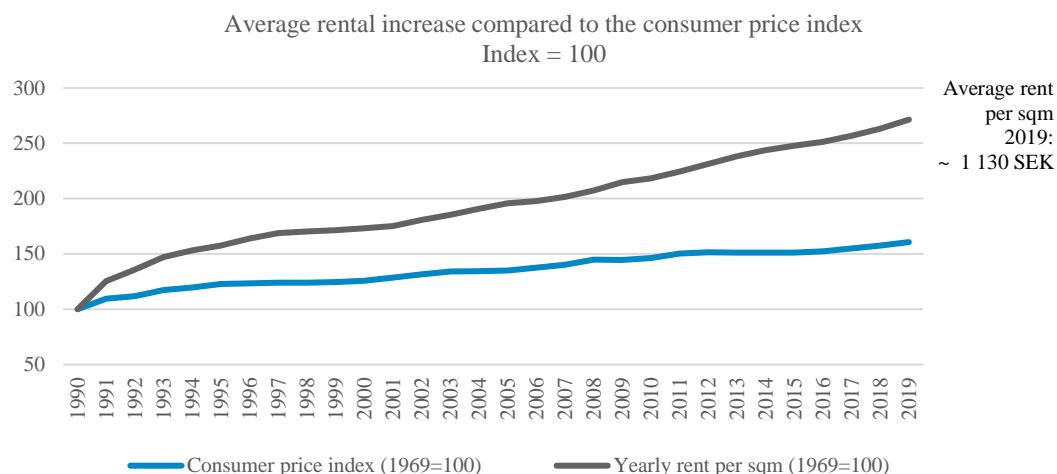
The average total production cost incl. land cost of apartments in multi-dwelling buildings per square meter has seen a steady increase over the years and between 2000-2017, the average total production cost increased by 260 per cent. The building costs have increased more than the Consumer Price Index and this is mainly due to the shortage of workers and materials during the last years' housing boom and that customers are willing to pay for a higher standard, which results in higher material costs. Historically, the housing cooperatives generally have had the highest production costs due to higher standard requirements and as a result of the construction companies wanting to maximize their profits. The housing cooperative buildings are built by private property companies who packages the building in a housing cooperative. Shares of the housing cooperative are sold on the market.

5.6.11 Drivers of rental growth

Drivers of rental growth are mainly inflation and the negotiations between the property owners and the Union of Tenants. Since 1997, the average rent per sqm has increased by 1-3 per cent annually. The rents are generally higher in large

⁸⁹ Svensk mäklarstatistik, 17 juni 2020.

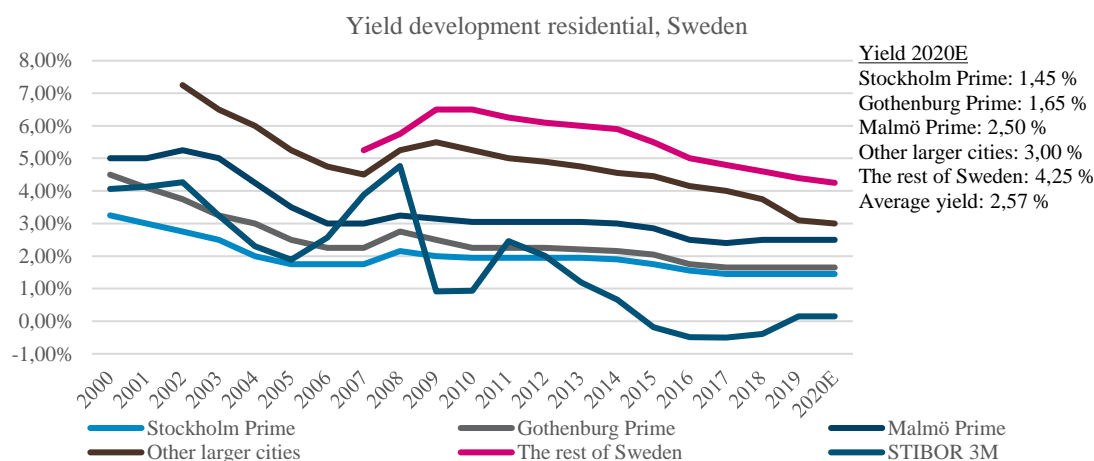
cities for both the existing stock and for newly produced residential properties. The larger the city, the higher the rents. The main reasons for this are that the construction costs are higher in larger cities due to more expensive land prices and a difference in wages. Another important factor is that the utility value system takes into account where it is considered attractive to live. The low (non-existent) residential vacancy in the metropolitan areas testifies that it is attractive to live in big cities and the rent should therefore reasonably be higher in those areas. Further, increased wages have played a big part in driving up rents.



Source: Statistics Sweden (SCB)

5.6.12 Yield data

Yields for residential properties have decreased over time. As the demand for housing exceeds supply in most Swedish cities, the vacancy levels are low and hence the risk for residential properties are deemed as low. This strengthens the case that residential properties in Sweden are a safe and non-volatile investment form. The yield levels for residential properties in Sweden are low, and in particular in the three major cities. This is due to good rental income when owning, and on sale there is always a possibility to convert rental apartments into cooperative apartments. In such conversions, tenants form a housing cooperative, which acquires the property close to market level for other cooperative apartments. As the prices for cooperatives is high in these cities, so too becomes the conversion price. Hence, investment in residential properties in the three major cities is considered a good placement.



Source: Newsec, Swedish Central Bank

5.6.13 Vacancy rates

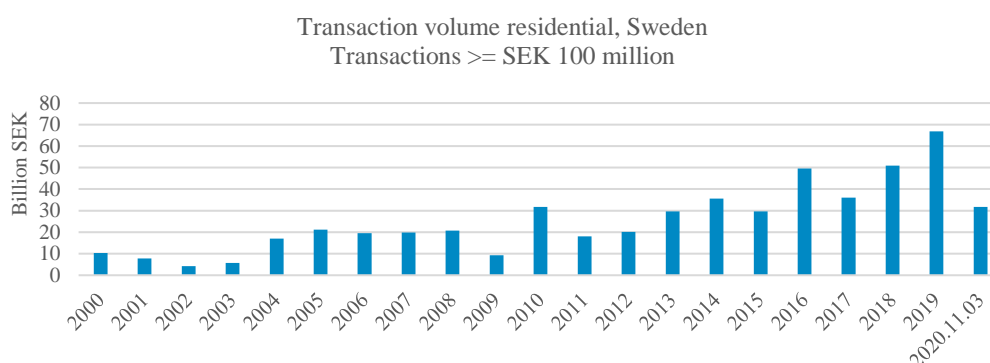
The vacancy rate for rental dwellings is very low, almost non-existent. Especially in the existing stock, the vacancy is close to zero per cent and the only vacancy there is due to turnover vacancy or that the apartment was vacated to enable renovation.

In newly produced residential buildings, the vacancy rate is also very low, but slightly higher than in the existing stock. The primary reason for vacancy in these buildings is presumably due to the higher rent level. There is an estimated 1.4 per cent vacancy rate in the Swedish new production residential stock and in general, the vacancy rates are very low or zero, especially in areas with population growth.⁹⁰

5.6.14 Investment volumes data

The Swedish transaction market is one of the most liquid in Europe and the total transaction volume was between SEK 130-150 billion in 2015, 2017 and 2018 (including all transactions over SEK 100 million). 2019 was an exceptional year, where the transaction volume amounted to a little over SEK 200 billion. Newsec expects the total transaction volume in 2020 to amount to just over SEK 170 billion. Up to and including October 2020, the transaction volume was SEK 114.3 billion (excluding conditional deals, SEK 120.2 including these), which is lower than the corresponding period in 2019 where the transaction volume was SEK 159.3 billion. This is a result of the Covid-19 virus and the uncertainties which the pandemic has created on the investment market.

The investment market for residential properties is strong. The residential segment and the office segment are two of the most popular segments (in terms of transaction volume). In 2019, residential property accounted for 32 per cent of the total transaction volume, which amounted to around SEK 66 billion, and offices, which were the second largest segment that year, accounted for 25 per cent of the total transaction volume. Up to and including October 2020, the residential segment accounted for around SEK 31.7 billion.



5.6.15 Market players and size

5.6.15.1 Ownership structure

There are a number of players on the Swedish residential market, including both small companies and international giants. Moreover, almost every municipality has their own housing companies with rental dwellings available to the public. The international companies present on the Swedish residential market include e.g. Blackstone, and Vonovia, through Hembla and Victoria Park. A large share of the Swedish municipalities have one or several housing companies that offer housing to the public. The largest residential property owners in Sweden, measured in number of apartments, are listed below. In Sweden, approximately half of all rental apartments are owned by public housing companies and in total, there are about 300 public housing companies.⁹¹ The public housing companies are different in sizes, owning from 21 apartments up to 27,000 apartments. The Swedish housing market is distributed over a large number of property owners, both municipal and private, which indicates that there is a great chance the market will undergo consolidation. For example, the 10 largest private rental housing property companies in Sweden, measured by number of owned dwellings, represent approximately 13 per cent of the total rental dwelling stock.

5.6.15.2 Size of market

The Swedish dwelling stock in multi-dwelling buildings consists of approximately 2.55 million apartments. Of the 2.55 million apartments, approximately 58 per cent, or 1,481,000 are rental apartments. SBB owns rental apartments representing less than one per cent. Rikshem, which is the largest rental housing property company owns 30,000 apartments, representing 2 per cent of the total stock.

⁹⁰ Newsec Advice, Sweden.

⁹¹ Boverket

Market players

Private housing company	Number of apartments 2019	Public housing company	Number of apartments 2019
Rikshem	30,000	Poseidon	27,200
Willhem	26,500	Svenska Bostäder	27,200
HSB	25,500	MKB	23,800
Stena Fastigheter	24,500	Örebro bostäder	22,000
Heimstaden Bostad	24,000	Stångåstaden	18,500
Hembla	21,000	Uppsalahem	16,000
Victoria Park	16,700	Bostaden i Umeå	14,400
Akelius	13,500	Gavlegårdarna	13,700
Balder	11,000	Helsingborgshem	12,000

Source: Boverket

6 BUSINESS OVERVIEW

6.1 Overview

SBB is a major Nordic social infrastructure property company. The SBB Group owns a property portfolio across Sweden, Norway, Finland and Denmark with a gross asset value of SEK 81.2 billion as of 30 September 2020. The SBB Group generates most of its income from the management of its social infrastructure property portfolio, which includes (i) community service properties, such as elderly care homes, schools and group housing for people with disabilities, in Sweden, Norway, Finland and Denmark and (ii) rent-regulated residential properties in Sweden. The SBB Group also has additional income streams from property renovations, property development activities and real estate transactions. As of 30 September 2020, community service properties and Swedish rent-regulated residential properties accounted for 78 percent and 16 percent of the total portfolio by gross asset value, respectively. The remaining part comprises cash flow properties with development potential to develop building rights for social infrastructure.

SBB actively manages its own real estate portfolio in order to generate sustainable cash flow and create additional value. The SBB Group's business model is to acquire and manage properties that have low-risk profiles and steady risk-adjusted returns. The SBB Group generates rental income either from publicly financed municipalities and governmental agency tenants (in the case of community service properties) or from residential tenants in Swedish rent-regulated apartments who are highly motivated to pay their rent due to the acute shortage of rental housing in Sweden.

In addition to property management, which is the foundation of SBB's earning capacity, the SBB Group generates additional income from value-enhancing capital expenditures on renovations in its rent-regulated residential property portfolio, from property development for social infrastructure building rights, which includes sales of properties and their associated building rights upon rezoning and selective participation in joint ventures, and from real estate transactions in which SBB's experienced transaction team buys and sells properties in order to continue building the SBB Group's portfolio, realise gains from matured properties and recycle capital for use in acquiring attractive new investment properties.

SBB has built strong long-term relationships with a number of Nordic municipalities, becoming a preferred partner for municipalities due to its track record operating in both community services and residential sectors. SBB's experienced team has local market presence in its investment markets as well as expertise to cover each stage of the property value chain from property management, development and transaction to financing. The SBB Group believes that the experience of its team, including the long-standing local presence of the team members and the relationships that have been established with municipalities, states, regions and private tax-funded welfare providers in the Nordics, makes SBB's position difficult for a competitor to replicate.

As of 30 September 2020, SBB's property portfolio comprised 1,455 properties in the Nordic countries covering 3.82 million square metres with Passing Rent of SEK 4,759 million, an Economic Occupancy Rate of 94.5 percent and a Net Initial Yield (which excludes building rights) of 4.5 percent. The Weighted Average Unexpired Lease Term ("**WAULT**") for the SBB Group's community service properties as of 30 September 2020 was nine years.

SBB had a Loan-to-Value Ratio as of 30 September 2020 of 42 percent and has a BBB- (positive) credit rating from Fitch and BBB- (stable) from S&P.

Community service properties - The SBB Group's community service properties portfolio primarily consists of elderly care homes, schools, group housing for people with disabilities, municipal and government agency office buildings and healthcare centres in Sweden, Norway, Finland and Denmark. SBB's diversified tenant base includes a range low-risk municipality and government tenants with strong credit ratings, such as the Swedish and Norwegian states, Boden and Linköping municipalities and Västra Götaland County, amongst others. SBB's portfolio of community service properties was valued at SEK 63.4 billion, or 78 percent of the gross asset value of the SBB Group's overall property portfolio, as of 30 September 2020. As of 30 September 2020, Passing Rent for this segment was SEK 3,729 million, Passing NOI was SEK 2,893 million. For the nine months ended 30 September 2020, the SBB Group generated SEK 3,007 million of Rental Income and SEK 2,232 million of Net Operating Income in its community service properties segment.

Swedish rent-regulated residential properties - The SBB Group's rent-regulated residential property portfolio consists of rent-regulated residential apartment properties located in Swedish growth municipalities. SBB owns rent-regulated residential properties with a large geographical spread, whereof most of the rent-regulated residential properties are located in the Stockholm region, Sundsvall, Oskarshamn and Borlänge. SBB's portfolio of rent-regulated residential properties was valued at SEK 12.7 billion, or 16 percent of the gross asset value of the SBB Group's overall property portfolio, as of 30 September 2020. As of 30 September 2020, Passing Rent for this segment was SEK 773 million, Passing NOI was SEK 433 million. For the nine months ended 30 September 2020, the SBB Group generated

SEK 645 million of Rental Income and SEK 323 million of Net Operating Income in its rent-regulated residential properties segment.

Other - The remaining SEK 5.1 billion, or 6 percent, of the gross asset value of the SBB Group's property portfolio as of 30 September 2020 was made up of cash flow generating properties in locations that municipalities have prioritised for urban development. SBB augments income from its core social infrastructure property management business with cash flow properties with a clear development potential to develop building rights for social infrastructure. Before such acquisitions, SBB communicates with the relevant municipality to ensure that the property and area is prioritised for upcoming urban development. After the acquisition, SBB initiates work preparing a new zoning plan with the ambition to divest final building rights to a project developer or a Joint Venture (with SBB as a partner) together with an experienced project developer who takes responsibility for construction upon the final approval of the zoning plan. As of 30 September 2020, Passing Rent for this segment was SEK 257 million, Passing NOI was SEK 142 million. For the nine months ended 30 September 2020, the SBB Group generated SEK 216 million of Rental Income and SEK 114 million of Net Operating Income in its income segment.

For the nine months ended 30 September 2020, the SBB Group generated gross rental income of SEK 3,868 million, net operating income of SEK 2,669 million. As of 30 September 2020, the gross asset value of SBB's property portfolio was SEK 81,187 million, its EPRA NRV was SEK 30,886 million and its Loan-to-Value Ratio was 42 percent. For the year ended 31 December 2019, the SBB Group generated gross rental income of SEK 1,996 million, net operating income of SEK 1,265 million. As of 31 December 2019, the gross asset value of SBB's property portfolio was SEK 79,542 million and its Loan-to-Value Ratio was 41 percent.

6.2 History

The SBB Group was founded by Ilija Batljan in March 2016 with a vision to create a leading Nordic property company focused on the ownership, management and development of social infrastructure properties in the Nordics.

In May 2016, the SBB Group acquired its first large property portfolio consisting of approximately 750 rent-regulated residential units and in September 2016, the SBB Group executed its first transaction with a Swedish municipality through its acquisition of a property in Ulricehamn from the municipal housing company Stubo AB. In October 2016 the SBB Group acquired its first property in Oslo, Norway with the Norwegian government as its tenant. That acquisition marked the SBB Group's expansion into the Nordic market outside of Sweden and was worth SEK 1.2 billion. By the end of 2016 the SBB Group had 358 properties in its property portfolio that valued at SEK 7,572 million.

In March 2017, SBB received approval to be listed on Nasdaq First North. As of 31 December 2017, the SBB Group's property portfolio had grown to 749 properties in 128 municipalities in both Sweden and Norway further illustrating the SBB Group's commitment to be a leading property company in the Nordic region. As of 31 December 2017, the gross asset value of SBB's property portfolio was SEK 23,001 million.

In February 2018, the SBB Group expanded into the Finnish property market and acquired residential care properties in Helsinki and other parts of Finland. In October 2018, the SBB Group signed a definitive agreement for the acquisition of the new cultural centre in Skellefteå, Sweden for SEK 1,050 million, which will be payable when construction is finished and the use of the property commences, which is expected to be in 2021. In connection with the acquisition, SBB entered into a 50-year lease with the municipality of Skellefteå for the entire property, representing what the Directors believe to be the first municipal contract in Europe with a 50-year term. The SBB Group also disposed of 280 properties in late-2018 in order to reduce leverage and optimize and consolidate its portfolio consistently with its strategy of selling matured properties and recycling capital for future use. As of 31 December 2018, the SBB Group's property portfolio comprised 570 properties in 131 municipalities in Sweden, Norway and Finland and had a gross asset value of SEK 25,243 million.

In 2019, the SBB Group acquired, among other things, 37 additional community service properties in Finland, Sweden and Norway for SEK 468 million and expanded into Denmark by acquiring six community service properties in Copenhagen and Aarhus and the surrounding regions. In April 2019, the SBB Group entered into an agreement for the sale of DNB Bank's headquarters in Oslo, with an agreed net property value of SEK 4,897 million (NOK 4,487.5 million), which exceeded the net property value at the time of SBB's acquisition by NOK 473 million. Also in April 2019, SBB acquired the EUR 142 million acquisition of 48 community service properties in Finland, established its EUR 2,500 million EMTN Programme and received investment grade ratings of BBB- (stable) from S&P and BBB- (stable) from Fitch. Additionally, the SBB Group signed ISDA Agreements with a number of Swedish banks, providing SBB with full access to the derivatives market. In August 2019, the SBB Group successfully issued a EUR 500 million senior unsecured bond into the European debt capital markets set to mature in September 2026 with a fixed coupon of 1.1 percent. In

September 2019, SBB became the first private real estate company to become a member of Public Housing Sweden, an industry and interest organisation for the municipality owned public housing companies in Sweden that is made up of approximately 300 member companies that collectively manage approximately 800,000 dwellings. Additionally, in September 2019, Nasdaq Stockholm's listing committee approved the SBB Group's shares for admission and SBB changed the listing venue for its SBB Class B shares and SBB Class D shares from Nasdaq First North Premier Growth Market to Nasdaq Stockholm.

In January 2020, SBB acquired 93.5 percent of the shares in Hemfosa and, following the acquisition of Hemfosa, SBB sold properties to an approximate value of SEK 11 billion, which shows the large liquidity and attraction of SBB's portfolio. In July 2020, SBB announced that it will build rental apartments and elderly care homes in Västerås, that SBB intends to carry through with the Acquisition, that SBB will sign agreements on the building construction of a community service property in Borlänge, that SBB develops a new police station in Örnsköldsvik, that pre-primary schools of SEK 4.3 billion are acquired in Norway as well as the sale to Nyfosa of SEK 4.9 billion is completed.

6.3 Significant events following 30 September 2020

SBB signed agreements for a number of sales, including office properties in Karlshamn and Karlstad as well as apartments in Ronneby to a property value of SEK 722 million. Furthermore, agreements were signed with Oscar Properties regarding a sale of a property portfolio of SEK 1.4 billion, including SBB's joint venture Valerum. SBB presented a strategic update of a number of focus areas and the Board's ambition to suggest a dividend of SEK 1 per Class A and Class B common shares during the annual general meeting 2021. Agreements were signed regarding an acquisition of a property portfolio in Finland, primarily with elderly care homes and care homes of EUR 222 million, with an annual rental income of EUR 13.6 million and a NOI of EUR 13.1 million. The transaction was financed with own resources. Following the end of the quarter, SBB carried out an external valuation of the transactions signed after the end of the quarter and contracts which will be signed during the forthcoming twelve months. These transactions have, in regard to community service properties, an average duration of 39.5 years and a fully indexed operating net income of SEK 101 million. The outcome of the valuation shows an extra value which exceeds the acquisition value/investments by SEK 624 million. In November 2020, SBB announced that Sveafastigheter Bostad will become a part of SBB. The acquisition consists a total of approximately 7,100 apartments including development portfolio and projects in progress, which in addition to Greater Stockholm are located in the Öresund Region and in Swedish university regions. Half of the transaction is financed with an issue of 44,533,762 Class B shares to a subscription price of SEK 31.10 per share, and the rest of the transaction is financed by SBB's realization of a number of financial assets.

In November 2020, SBB signed an agreement with Skellefteå's public housing company Skebo for the acquisition of Skebo's rent regulated residentials and community properties on Morö Backe at an agreed property value of approximately SEK 1.3 billion. The acquisition of the properties on Morö Backe is financed through the sale of certain financial assets. The acquisition as well as the investment in new apartments is conditional on Skellefteå City Council approving the deal. In November 2020, SBB also announced a 50/50 joint venture with Magnolia Bostad for the development of investment properties. SBB is selling one project in Norrköping to the JV, and Magnolia Bostad is selling four projects located in Huddinge, Nacka, Sollentuna and Helsingborg. The JV will be responsible for the future construction financing. SBB is also acquiring two projects consisting of elderly care homes located in Östersund and Nacka from Magnolia Bostad. The estimated property value of the projects upon completion is approximately SEK 470 million.

In December 2020, SBB successfully issued its inaugural social senior unsecured bond of EUR 700 million as well as an additional perpetual hybrid bond of EUR 500 million in the European debt capital markets. Both bonds were significantly oversubscribed. The social bond has a tenor of eight years and a fixed coupon of 0.750% and the proceeds will be used for financing of eligible social assets in accordance with SBB's sustainable finance framework. The perpetual bond has an initial non-call period of 5.25 years and carries a fixed coupon of 2.625% and the proceeds will be used for general corporate purposes. In December 2020, SBB also announced that its building 640 rent regulated residentials comprising approximately 31,352 sq.m. BTA in Västerås, Nykvarn, Skellefteå and Växjö and is investing SEK 1.2bn with an annual operating net of SEK 55.8 million and that SBB acquires two centrally located community service properties let to school operators from Wallenstam for an agreed total property value of SEK 380 million.

On 18 December 2020, SBB announced the acquisition of 54.3 percent of the shares and votes in Offentliga Hus i Norden AB (publ) from Aktiebolaget Fastator AB, Offentliga Nordic Property Holding SARL, CLBRM Private S.A., SICAR on behalf of its Compartment Real Assets and Nordact AB. On 23 December 2020, SBB announced that it had, through its subsidiary SBB i Norden AB (publ), completed the acquisition of 113,064,967 shares in Offentliga Hus, corresponding to 44.2 percent of the shares and votes, for a purchase price of SEK 1,741,200,492. As part of such completion, the board of SBB resolved on an issue of not more than 7,860,160 new SBB Class D Shares, amounting to a value of SEK

641,800,943 based on a price of SEK 31 per D-share. Completion of the remaining part, 25,852,986 shares in Offentliga Hus, corresponding to 10.1 percent of the shares and votes, acquired from Nordact AB, is subject to the approval of relevant competition authorities and is intended to be completed once such approvals are obtained.

On 23 December 2020, SBB also entered into a bridge facility agreement in connection with the Offer, in a principal amount of NOK 20 billion, with an interest rate based on NIBOR and an initial margin of 1.20 per cent (the margin is connected to SBB's credit rating) with a maturity of six months with an option to extend for two consecutive six months periods and making the total maximum maturity 18 months. For more information, please refer to Section 14.4.2 "Bridge facilities agreement".

Other than above, no significant changes in the SBB Group's financial position and result has occurred since 30 September 2020.

6.4 Vision, Mission and Values

Ilija Batljan founded SBB in March 2016 with a vision to create the best Nordic property company focused on residential and social infrastructure properties. SBB's strategy is to have a long-term view on ownership, management and development of rent-regulated residential properties in Sweden and social infrastructure properties in the Nordics. Further the company aims to actively carry out property development where cash flow properties can be converted into building rights for social infrastructure.

6.5 Competitive strengths

The SBB Group believes that the following competitive strengths provide SBB with a strong operational platform building on its experience, market knowledge and relationships, and represent the primary drivers for SBB's business success that will continue to set SBB apart from its competitors in the future.

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

SBB is a major Nordic social infrastructure property company (community service properties and rent regulated residential). The SBB Group owns a property portfolio across Sweden, Norway, Finland and Denmark with a gross asset value of SEK 63.4 billion as of 30 September 2020 regarding community service properties. The SBB Group generates most of its income from the management of its social infrastructure property portfolio, which includes (i) community service properties, such as elderly care homes, schools and group housing for people with disabilities, municipal and government agency office buildings and healthcare centres.

Community service properties in the Nordic region are typically financed and owned by municipalities or governmental agency tenants, and it is estimated that approximately 80 percent of these properties are currently in public ownership. Municipal and governmental organisations as tenants are characterized by lower counterparty risk due to their strong sovereign credit ratings and the relatively low national debt of Nordic countries in comparison to other EU nations. The SBB Group has a history of actively working with many municipalities, states, regions and tax-funded welfare providers in the Nordic countries and only six months after its founding, the SBB Group completed its first transaction with a Swedish municipality. The SBB Group has continued to develop very positive relationships with municipal, county and state authorities and has engaged in transactions with municipalities throughout Sweden such as Stockholm, Skellefteå, Huddinge, Borlänge and Karlskrona collaborating on projects involving the development of new community service properties and building properties specifically adapted for community service purposes. For example, in November 2019, SBB acquired 23 schools and preschools in Stockholm from the municipal property company, SISAB, for SEK 421.5 million. In 2018, the SBB Group acquired the culture centre in Skellefteå, which is set to house the county theatre, a museum, an art gallery and a new city library for over SEK 1 billion with the municipality as the sole tenant on a 50-year lease agreement. In 2017, SBB acquired a portfolio with education properties in Huddinge for SEK 200 million. These relationships together with a long-term perspective and a proven track record provides the SBB Group with favourable opportunities to acquire social infrastructure properties from municipalities thereby increasing its market share and also helping the SBB Group become a long-term reliable partner new for municipalities and governmental agencies. Additionally, as the market for private investment in the sector as for example, the needed number of elderly homes and high schools expected to be needed by municipalities in 2022 exceeds the number of planned units for 2019 to 2022 by 2.4 and 4.3 times, respectively.

Social infrastructure properties are also characterized by long leases. As of 30 September 2020, the SBB Group had average lease lengths of nine years for its community service properties. A clear majority of tenants in the SBB Group's community service properties renew their leases based on the nature of the operation. Furthermore, the SBB Group recently signed a 50-year lease for the culture centre in Skellefteå, which is one of the wealthiest Swedish municipalities.

In the social infrastructure segment, the majority of the SBB Group's tenants renew their leases, and the SBB Group experiences low tenant turnover in addition to its long lease length ensuring stability, long-term value and security.

6.5.2 *Rent-regulated residential portfolio in Sweden ensures low tenant turnover and income stability with significant potential*

The SBB Group only invests in Sweden based on the strict and predictable Swedish rent regulations. The Swedish market has a much stricter regulation than other Nordic countries, which, combined with strong population growth, makes Swedish rent-regulated rental apartments one of the world's safest asset classes according to SBB. Market regulation has led to insufficient new production of housing, which has led to a widespread shortage of housing and high housing demand in municipalities. The waiting period for housing in Sweden currently is approximately ten years in Stockholm and three years on average in the rest of Sweden. In 2020, 74 percent of municipalities reported a need for additional housing, which reflected a slight decrease since 2018, but this reported need has generally increased over the previous five years from 43 percent in 2013 to 52 percent in 2014, 63 percent in 2015 and 83 percent in 2016. The SBB Group's rent-regulated residential properties are primarily located in favourable locations across Swedish cities that are currently exhibiting positive population growth and will therefore have an increased need for rental properties. As rent levels are regulated and usually below market levels resulting in high demand for rental properties, the SBB Group's management believes that SBB is well positioned to benefit from these demographic developments and generate stable a net operating income and a solid risk-adjusted yield. The SBB Group's rent-regulated residential portfolio as of 30 September 2020 was valued at SEK 16,698 per square metre including building rights, while new construction cost (including land) for new apartments in Sweden was SEK 41,103 per square metre for 2018,⁹² illustrating the opportunity for additional growth. The SBB Group's rent per square metre for its residential properties as of 30 September 2020 was SEK 1,033 compared to 1,742 per square metre in new build apartments,⁹³ which positions the SBB Group to benefit from improved margins if rents increase towards market levels and to conduct rent increasing apartment renovations. Additionally, as rent-regulated residential properties in Sweden are characterized by high demand and insufficient supply, the SBB Group experiences low levels of tenant turnover and near-zero long-term vacancies. The few existing vacancies are assets under renovation in accordance with the SBB Group's ongoing renovation programme that is targeting the renovation of 600 units per year.

6.5.3 *Recurring additional income streams from renovations, project and property development and transactions*

The SBB Group has three additional income streams besides from ordinary property management; renovations, property development activities and real estate transactions.

The SBB Group renovates and refurbishes apartments within its portfolio and as a result of these efforts is able to generate yearly returns of approximately 7-9 percent on investments. Since its founding the SBB Group has increased the number of apartments it renovates each year and the goal is to renovate 600 apartments per year. During the nine months ended 30 September 2020, SBB completed the renovation of 437 apartments. A further 80 apartments are currently being renovated and renovation of a further 176 apartments is planned to commence within the next three months. This is compared to the renovation of 562 and 415 apartments in the years ended 31 December 2019 and 2018, respectively.

SBB additionally derives income from developing and selling building rights for social infrastructure. The SBB Group has a proven track record of acquiring properties and after rezoning these properties to create building rights for social infrastructure properties, achieving increased valuations. Lastly, the SBB Group also derives a portion of its income through property transactions.

The SBB Group's income from property management combined with additional income streams all contribute to a large value creation and possibilities to perform additional investments to expand the SBB Group's property portfolio.

6.5.4 *Possibilities to acquire mixed portfolios*

Swedish municipalities often own community services and rent-regulated residential properties together and often seek out companies that have the ability, organisation and long-term perspective necessary to invest in and develop both rent-regulated residential and community service properties. Although there is competition to acquire these types of portfolios, few companies have the ability to acquire portfolios made up of properties from both segments. SBB is one

⁹² SCB. Total net production price per apartment and per square meter useful floor space for multi-dwelling buildings and living space for collectively built one- or two-dwelling buildings, <https://www.scb.se/en/finding-statistics/statistics-by-subject-area/housing-construction-and-building/construction-costs/prices-for-newly-produced-dwellings/pong/tables-and-graphs/production-price-per-dwelling-and-per-sq.m.-useful-floor-space-for-multidwelling-buildings-and-useful-floor-space-of-dwellings-for-one--or-two-dwelling-buildings/>.

⁹³ Newsec.

of the few companies able to acquire mixed portfolios and is therefore well positioned to seize opportunities in the market.

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

The SBB Group maintains a strong capital structure that is diversified across different types of debt instruments. As of 30 September 2020, a majority of its debt portfolio (excluding commercial paper) had maturities longer than five years. Excluding commercial paper, 43 percent of the SBB Group's interest-bearing debt had maturities longer than five years. As a result of its strong balance sheet position and stable cash flows, the SBB Group has an investment grade rating of BBB- (positive) from Fitch and BBB- (stable) from S&P and aims to achieve a BBB+ rating in the short term (at the latest by 30 June 2021) and A- in the long term. The SBB Group's average interest rate on its debt obligations as of 30 September 2020 was 1.41 percent, reflecting a steady decrease from 1.75 percent as of 30 September 2019 and 2.44 percent as of 31 December 2018. The SBB Group's current rating signals the SBB Group's stability and lowered risk of default. As a result of its rating the SBB Group has broad access to capital markets and financial flexibility in order to fund its acquisitions and pursue its growth strategy.

6.5.6 *Highly experienced management team, scalable platform and reputable owners*

SBB's active and hands-on management team has vast experience in the development and management of both community service properties and rent-regulated residential properties and is highly qualified to implement the SBB Group's growth strategy. The Chief Executive Officer Ilija Batljan founded SBB in March 2016 and has held multiple corporate and municipal management positions in Sweden and internationally. The SBB Group's nine person management team, which includes the SBB Group's Chief Executive Officer, Chief Operating Officer/Deputy Chief Executive Officer, Head of Property Development/Deputy Chief Executive Officer, Chief Financial Officer, Business Development Manager, Investor Relations Manager, the Finance Manager as well as the Business Area Manager of Bostäder Norden and the Business Area Manager of Samhällsfastigheter Norden, have an average of 25 years of experience in the property development, property management and project development industry and are supported by a highly dedicated, reputable and diverse Board of Directors with extensive expertise in the real estate industry. As a result, the SBB Group believes that the expertise and dedication of the SBB Group's senior management team provide it with the skills, knowledge and expertise necessary to pursue and execute its strategy.

6.6 Strategy

SBB aims to generate sustainable and attractive returns and create long-term value with a low-risk profile. Additionally, SBB intends to actively manage its portfolio in major cities across Sweden, Norway, Finland and Denmark and to cover the full real estate value chain with its integrated organisational platform and local market presence. Backed by its strong relationships with Nordic municipalities, SBB's core strategy is to generate income from property management by investing in community service properties in the Nordic and rent-regulated residential properties in Sweden. This is further supplemented by additive income streams, including income from value-enhancing capital expenditures on renovations in its social infrastructure portfolios, from property development activities and from real estate transactions in which SBB's experienced transaction team acquires properties and divests matured properties to continue building the SBB Group's diverse portfolio.

The strategic focal point for SBB is to create sustainable long-term value for all of its stakeholders and includes the following strategies.

6.6.1 *Continuing to be the partner of choice for municipalities and further build existing and new relationships while responding to housing demands*

The SBB Group aims to be a natural, reliable and long-term partner in the public sector in the Nordic region and delivers its social infrastructure properties in close cooperation with the primary providers of care services, which are often municipalities and county councils. The SBB Group maintains robust relationships with municipal, county and state authorities and has engaged in transactions with municipalities throughout Sweden such as Stockholm, Skellefteå, Huddinge, Borlänge and Karlskrona. The SBB Group has also acquired properties from both the Danish and the Norwegian Governments and is involved in discussions regarding new transactions with municipalities throughout the countries in which it operates. These relationships provide the SBB Group with favourable opportunities to acquire social infrastructure properties from municipalities. Due to the growing prevalence of aging populations in the Nordic region, with Finland and Sweden in particular being amongst the countries with the highest proportions of their populations being made up of people aged 65 years and older worldwide, it is expected that there will be an increased need for quality welfare services and residential care properties with an estimated unit demand for 300 new elderly care homes in Sweden in 2022. As one of the Nordic region's largest players in the field of elderly care homes and group housing for people with disabilities, SBB is well positioned to respond to these demographic changes. The SBB Group's strategy therefore involves maintaining these strong relationships with municipalities and governmental tenants through ongoing

discussions for the development of new community service properties. As approximately 80 percent of community service properties are currently publicly owned, the SBB Group aims to increase its market share and build upon its strong position as a partner of choice to municipalities in the Nordic region. Additionally, Sweden's residential market is characterised by rent regulation and a shortage of housing. As a result of rent regulations in Sweden, rent charged is strictly controlled, based on the standard of each apartment, compared with equivalent residential units in comparable areas. The demand for residential properties is expected to increase as a result of continuing population growth. Additionally, lengthy zoning plan processes and delays in construction further add to this shortage. There are 290 municipalities in Sweden and, according to a survey carried out by the National Board of Housing, Building and Planning in April 2020, 212 of the 286 participating municipalities assessed that there was a shortage of housing in their respective municipality. The SBB Group's strategy involves SBB responding to this housing demand and remaining municipalities' partner of choice in meeting this need.

6.6.2 *Generating income from property management*

The SBB Group's community service and residential portfolios provide a sustainable and stable source of income and the SBB Group's strategy is focused on maintaining and developing this income stream. The SBB Group additionally aims to generate stable and low-risk income through developing and selling building rights. Due to an expected increase in the need for community services and residential properties owing to demographic developments and a shortage of housing the SBB Group aims to maintain its strong relationships with municipalities and continue engaging in value creating development as well as management of its existing portfolio.

6.6.3 *Generating income from development of social infrastructure building rights*

The SBB Group aims to generate low-risk income through the acquisition and sale of attractive properties and their associated building rights. As part of the SBB Group's strategy to generate income, the SBB Group focuses on municipalities with favourable demographics such as underlying population growth and a high demand for housing and identifies properties in these localities with a yield of approximately 4-6 percent. Prior to acquisition, the SBB Group assesses the potential of the target property and engages in discussions with municipalities to ascertain whether the target acquisition and its surrounding location are suitable for development. Once the SBB Group has acquired and conducted development of a new zoning plan, the SBB Group can thereafter choose to sell the property, retain it for development of own management where contractors take responsibility of the project enforcement or retain a percentage of ownership through its participation in joint ventures with experienced project developers where the SBB Group's counterpart takes responsibility for production or construction risks associated with the development. Great opportunities to develop building rights also exist within the current portfolio of social infrastructure properties, where many of the SBB Group's properties have large green- and/or parking spaces well suited for building rights development. The SBB Group intends to continue seeking attractive acquisition opportunities with unrealised building rights that are primed for development. The SBB Group's strategy contributes to diversifying the income streams and to strengthen its important relationships with municipalities by producing and developing building rights for social infrastructure to meet the municipalities' current and upcoming needs.

6.6.4 *Generating income from renovations*

The SBB Group derives a significant portion of its income through the renovation of properties in its community services and apartments in its rent-regulated residential properties portfolio. During the first two quarters of the year, SBB has completed the renovation of 323 apartments. A further 93 apartments are currently being renovated and 188 apartments are vacated with renovations planned to begin within a three-month period. The SBB Group also renovated 562 and 415 apartments during 2019 and 2018. In the course of its renovations, the SBB Group also explores opportunities to redesign apartments within its existing portfolio in order to upgrade the standard of each of the apartments, increase the apartment's modernity and safety and create extra rooms per apartment so that the property and the apartments can be better utilised in the future. A significant portion of the SBB Group's rent-regulated residential portfolio was built between 1960 and 1975 and therefore may require refurbishment in order to meet current and future tenant requirements for quality and comfort as well as to meet current technical standards. As the potential of renovation is assessed for 75 percent of the portfolio, the SBB Group's strategy centres on capturing additional value from these un-renovated residential portfolio utilising refurbishments and renovations to increase the attractiveness of its properties. The SBB Group has a long-term target of renovating a total of approximately 600 apartments per year. These renovations may increase the number of apartment points awarded to each unit and also allow the SBB Group to reach agreements with various tenant associations to increase rent levels that recognize the value added by the renovation. See Section 6.7.5 "Property management" concerning rent-regulated residential properties for additional details on the utility value system for determining rent levels in Sweden.

6.6.5 *Generating income from real estate transactions*

SBB's transaction team, which the SBB Group believes is the most experienced social infrastructure property transaction team in the Nordic region, has an unparalleled track record of closing transactions that has often made it the first potential buyers approached by private and public sellers before they begin a more broadly marketed sale process. These off-market transactions provide the SBB Group with a competitive advantage to acquire portfolios of social infrastructure properties. The SBB Group intends to continue to acquire portfolios of social infrastructure properties in these off-market transactions to maintain this competitive advantage. In 2020, despite very challenging times in a global pandemic, SBB has sold properties to approximately SEK 10.9 billion. Engaging in real estate transactions and selling developed and matured properties allows the SBB Group to recycle capital for use in new acquisitions.

6.7 **The SBB Group's business model**

6.7.1 *Overview*

SBB's strategy is long-term ownership, management and development in the Nordic countries and rent-regulated residentials in Sweden as well as to run an active project and property development work to develop new social infrastructures.

6.7.2 *Operating and financial targets*

The operating and financial targets set forth below constitute forward-looking information that is subject to considerable uncertainty. The operating and financial targets are based upon a number of assumptions relating to, among others, the development of the SBB Group's industry, business, results of operations and financial condition. The SBB Group's business, results of operations and financial condition, and the development of the industry and the macroeconomic environment in which it operates, may differ materially from, and be more negative than, those assumed by the SBB Group when preparing the operating and financial targets set out below. As a result, the SBB Group's ability to reach these operating and financial targets is subject to uncertainties and contingencies, some of which are beyond the SBB Group's control, and no assurance can be given that the SBB Group will be able to reach these targets or that its financial condition or results of operations will not be materially different from these operating and financial targets. See information about forward-looking statements under "Important information" in the introductory part of this Offer Document.

The Board has adopted the following financial and operating targets. For a description of the SBB Group's dividend policy, see Section 12.14 "Dividend and dividend policy".

Financial targets

- Generate growth in net asset value per Class A and Class B common shares to average at least 15 percent per year over a 5-year period.
- Maintain a Loan-to-Value ratio below 50 percent, defined as adjusted debt in relation to debt plus equity.
- Generate an income from sales of property development amounting to an average of SEK 500-700 million per year.
- Maintain a Secured Loan-to-Value ratio of less than 30 percent.
- Maintain an Interest Coverage Ratio of at least 3.0 times.
- Achieve a BBB+ rating at the latest during the first six months 2021, and in long-term an A- rating.

Operational targets

- Achieve a property portfolio of SEK 125 billion by 2025 and achieve and retain a BBB+ credit rating.
- Renovate at least 600 apartments per year.
- 100 percent climate neutral 2030.

6.7.3 *Property portfolio*

As of 30 September 2020, the SBB Group owned 1,455 properties.

Key metrics of the SBB property portfolio

The following table shows several key metrics of the properties in SBB's portfolio as of 30 September 2020 and 2019, respectively, 31 December 2019, 31 December 2018 and 31 December 2017. For additional information on these metrics, including certain definitions and reconciliations, see "Selected Consolidated Financial, Operating and Other Data—Non-IFRS financial data and reconciliations—Key performance indicators and other historical financial and operating data".

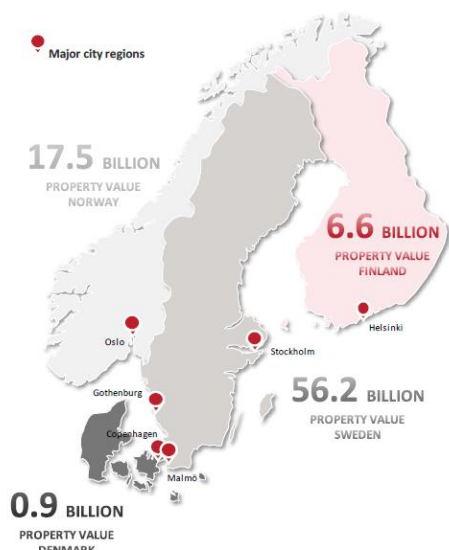
	As of 30 September		As of 31 December		
	2020	2019	2019	2018	2017
Number of properties	1,455	842	1,394	570	749
Leasable area of properties (m ² thousands)	3,820	1,795	4,233	1,330	1,366
Gross asset value of properties (SEK million)	81,187	30,776	79,542	25,243	23,001
Gross asset value of properties per square metre (SEK) (including value of building rights)	21,254	17,150	18,790	17,979	15,976
Passing Rent (SEK million)	4,759	1,374	5,217	1,585	1,588
Passing Net Operating Income (SEK million)	3,467	1,374	3,713	1,112	1,111
Net Initial Yield excluding building rights (%)	4.5	4.7	4.8	4.7	5.1
Economic Occupancy Rate (%)	94.5	95.3	94.8	96.2	96.8

The following tables show these key metrics for the SBB Group's community service properties, rent-regulated residential properties and other properties as of 30 September 2020.

	Community Service Properties	Rent-Regulated Residential	Other
Gross asset value of properties (SEK million)	63,430	12,692	5,065
Gross asset value of properties per square metre (SEK) (excluding value of building rights)	23,157	16,968	15,226
Passing Rent (SEK million)	3,729	773	257
Passing Net Operating Income (SEK million)	2,893	433	142
WAULT of community service properties (years) ⁽²⁾	9	N/A	N/A

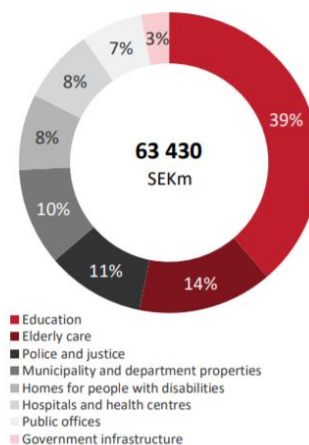
6.7.4 Geographic locations of the SBB property portfolio

The SBB Group's property portfolio is located entirely in the Nordic region with 78 percent of the SBB Group's property portfolio consisting of community service properties as of 30 September 2020. As of that date, properties in Sweden, Norway, Finland and Denmark accounted for 69 percent, 22 percent, 8 percent and 1 percent, respectively, of the gross asset value of the SBB Group's property portfolio. Rent-regulated residential properties in Sweden made up 16 percent of the gross asset value of the SBB Group's property portfolio and the remaining 6 percent of the gross asset value of the SBB Group's property portfolio as of 30 September 2020 was made up of other properties with development potential for building rights for social infrastructure. As for rental income, Sweden, Norway, Finland and Denmark accounted for 75 percent, 15 percent, 10 percent and 1 percent, respectively, of the SBB Group's rental income for the financial year ended 31 December 2019.

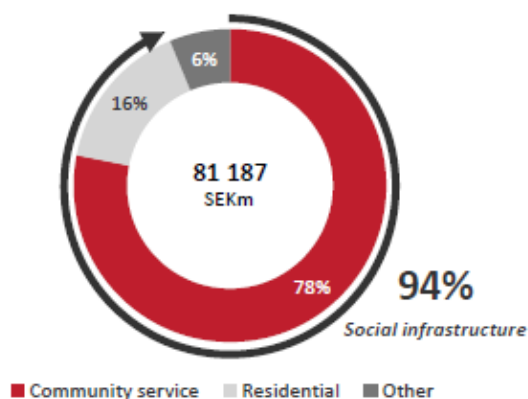


Community service properties by area of use

Market value



Property value per segment



6.7.5 Property management

Through its property management function, which is the foundation of its earning capacity, the SBB Group receives predictable cash flows from rental income from social infrastructure properties. SBB's social infrastructure properties accounted for 78 percent of the SBB Group's gross asset value as of 30 September 2020.

Community service properties

The SBB Group's community service properties include properties rented by tenants that are directly or indirectly tax funded, resulting in limited tenant churn and minimal counterparty risk. Tenants are engaged in activities such as care for the elderly, education, providing group housing for people with special needs, municipal and state administration and healthcare. Examples of tenants in the SBB Group's community service properties include the Swedish and Norwegian states, Boden and Linköping municipalities and Västra Götaland County, amongst others.

SBB is one of the Nordic region's largest players in the field of elderly care homes and owner of group housing for people with disabilities in the Nordics. The SBB Group's aim is to offer modern care properties in close cooperation with the main providers of care services, which are often municipalities and county councils, but also include private publicly financed welfare operators.

Passing Rent for the community service properties segment as of 30 September 2020 was SEK 3,729 million, of which education accounted for 35.4 percent, elderly care homes accounted for 13.8 percent, homes for people with disabilities accounted for 8.2 percent, hospitals and health centres accounted for 7.7 percent, government infrastructure and justice accounted for 14.9 percent, municipality and department properties accounted for 11.2 percent, public offices accounted for 8.8 percent and other accounted for 1 percent.

As shown in the table below, as of 30 September 2020, the SBB Group's top 10 community service properties tenants by Passing Rent accounted for 50.7 percent of the SBB Group's Passing Rent in this segment.

Tenant	Passing rent (in %)	Country
Swedish State	14.8%	Sweden
Norwegian State.....	9.9%	Norway
Læringsverkstedet AS	6.8%	Norway
Finnish State.....	3.7%	Finland
Municipality of Härnösand	3.5%	Sweden
Norwegian National Association for Heart- and Lung Disease.....	3.3%	Norway
Academedia	3.0%	Sweden
Attendo	2.1%	Sweden
Ambea	2.0%	Finland
Västra Götaland Country Council	1.6%	Sweden
Total	50.7%	

The WAULT for the SBB Group's community service properties as of 30 September 2020 was 9 years. The chart below shows the staggered maturity profile of the SBB Group's community service properties leases as of 30 September 2020. The percentages represent the amount of the SBB Group's Passing Rent expiring in each year.



Lease agreements for community service properties are characterized by long maturities. Newly signed leases typically have 10-15-year terms. Additionally, the SBB Group's lease agreements require the majority of tenant improvements to be paid for by the tenants, limiting the SBB Group's unexpected capital expenditures.

Skellefteå Perseus 6 case study

SBB has entered into a partnership with the municipality of Skellefteå regarding its new cultural centre, which is expected to be completed in 2021 and will be one of the world's tallest timber buildings. Skellefteå Cultural Centre is located in one of the wealthiest municipalities in Sweden and will be a new home for the Västerbotten Regional Theatre, Anna Nordlander Museum, Skellefteå Art Gallery, as well as the City Library. The municipality has taken full responsibility for designing the building as well as full responsibility for potential cost overruns and for property management. As part of the partnership, a 50- year lease contract, with annual rent increases tied to the consumer price index in order to protect the SBB Group from inflation was signed between SBB and the municipality in October 2018.

Swedish rent-regulated residential properties

SBB manages and develops rent-regulated residential properties in Swedish municipalities that are experiencing population and income growth. However, most of the rent regulated residential properties are located in the Stockholm region, Malmö region, Sundsvall, Oskarshamn and Borlänge. The properties are generally located close to the city centre and have access to good transportation links.

Demand for housing in Sweden is large due to the regulated market creating queues for housing. According to a 2014 report from The Swedish Union of Tenants, the average time spent in the housing queue for a rental apartment in Sweden was approximately three years and approximately ten years in Stockholm. At the end of 2018, 640,000 people were in the Stockholm housing queue. In a 2020 survey by the National Board of Housing, Building and Planning, 212 out of 286 participating municipalities assessed that there is a shortage of housing in their municipality, with lagging construction contributing to the excess demand.

As of 30 September 2020, SBB's rent-regulated residential properties portfolio in Sweden comprised properties valued at SEK 12,692 million or SEK 16,968 per square metre (including value of building rights). Passing Rent for the rent-regulated residential properties in Sweden as of 30 September 2020 was SEK 773 million and Passing NOI was SEK 433 million.

Utility value system

Rents in Sweden are regulated based on a "utility value system" that comprise the basis for negotiations between the landlord and the tenant and/or a tenancy union. The "utility value system" means that the rental rate for an apartment may not materially exceed the rental rate for an equivalent apartment where the rent is determined by a negotiated agreement under the Rent Negotiation Act. The aim of the utility value system is to protect the tenants' "security of tenure", which follows from Chapter 12 of the Swedish Land Code and provides that tenants under this system have a direct tenancy agreement without a fixed maturity and are entitled to continue to rent the apartment for as long as the rent is paid and neighbours are not disturbed.

Rental amounts are set through a negotiation process with the tenant or the Swedish Union of Tenants where a normative rent is agreed. The Swedish Regional Rent Tribunal conducts a utility value review to establish a reasonable amount of rent. The review must only refer to comparative apartments (i.e., those with approximately the same location, standard and equipment) that have their rents set through collective negotiations between the landlord and the Swedish Union of Tenants on an annual basis. The limit for a reasonable rent is expressed as the highest rental level that other tenants pay for similar apartments, which may be exceeded by approximately 5 percent.

Rents in the Swedish residential market are determined based on the following formula.

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

Normative rent is the rent per square metre that is agreed between the landlord and the tenant and/or a tenancy union for a hypothetical three-room, 77 square metre apartment.

The area of the apartment is measured in square metres.

Apartment points are determined according to the table below, which takes into account the number of rooms in the apartment.

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

6.8 Additive income streams

Income from SBB's property management function is augmented by recurring additive income streams, including income from investments on renovations in its social infrastructure property portfolios, property development and real estate transactions in which SBB's experienced team buys and sells properties to continue building the SBB Group's portfolio.

Income from renovations

SBB benefits from the unique residential renovation business model in Sweden that allows it to increase rents, which are artificially low in the regulated market, by improving the standard of an apartment. A significant part of the SBB Group's rent-regulated residential properties portfolio was built between the years 1960 and 1975 and requires some refurbishment to meet current and future tenant requirements for quality and comfort, as well as to meet current technical standards. This is achieved by successive renovations coordinated with end of lease vacancy periods of the apartments. The SBB Group targets value-creating renovation to a new modern standard in order to generate increased rental income and lower property costs through energy saving measures and reduced maintenance costs. Historically, the SBB Group has achieved approximately 6-8 percent yield on renovation costs. Prior to renovation, an assessment is made as to whether additional value-creating changes can be made. For example, large rooms of apartments are reconfigured to create extra rooms so that the property can be better utilised in the future. The SBB Group aims to renovate to an attractive standard that appeals to both new and existing tenants.

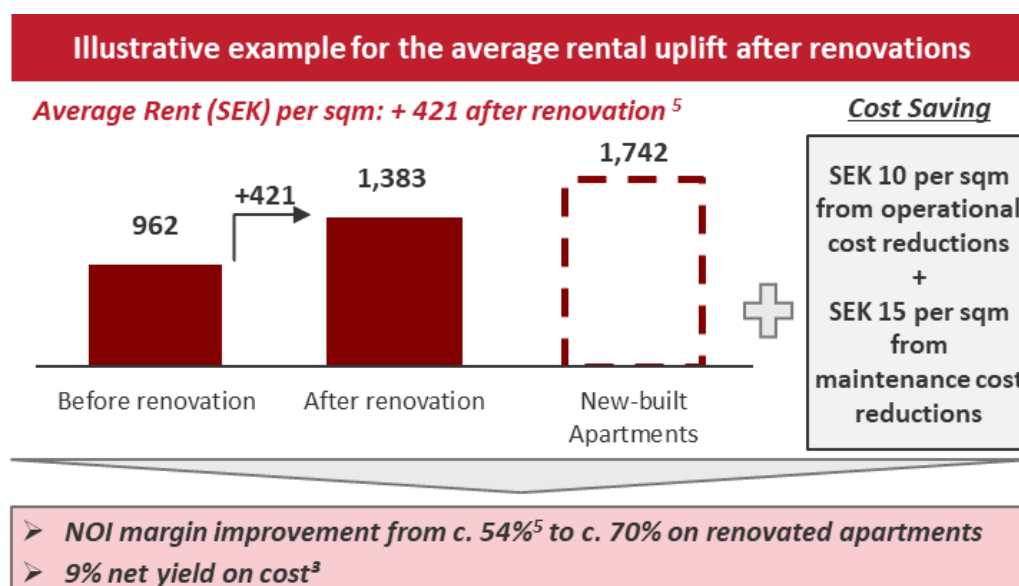
When a tenant moves out of an apartment, SBB renovates one apartment as a prototype to show the Swedish Union of Tenants and to form the basis of the negotiation. Once a normative rent is agreed, SBB proceeds to renovate the rest of the apartments as tenants terminate their leases. This provides a clear visibility on the potential future rental upside. SBB implements property development programs that enable value creation through a wide range of targeted investments and manages all aspects of value creation, including:

- Apartment renovations: standardised, pre-planned renovations of individual apartments to high quality standards; and
- Residential conversion: the conversion of storage, commercial premises and other non-strategic premises into residential units, as well as the review of apartment layouts in order to explore possibilities of unlocking additional living space.

An apartment renovation timeline commences when the SBB Group receives notice of lease termination from a tenant. During what is typically a three month notice period, SBB conducts its inspection prior to the tenant moving out and makes a decision whether to renovate. If a decision is made to renovate the apartment the project preparation phase continues before the tenant moves out and includes measurements being taken, contractors with whom the SBB Group has long-standing relationships, being engaged and materials being prepared at a regional logistics centre. Once the tenant moves out and the apartment becomes vacant, the shipment of material arrives and contractors immediately begin the renovation, which may take around six weeks.

Although not part of the formal renovation program that the SBB Group has in place, SBB also engages in additional renovations of its properties including property upgrades involving targeted investments in properties, such as renovations of laundry rooms, entrance halls and stairways, preparation of outdoor areas or upgraded storage premises that generate additional rent-uplifts.

The graphic below provides an illustrative example of the SBB Group's average rental uplift after renovating one of its apartments.



Notes: ³ Assuming SEK 5,000 renovation cost per year (Source: Newsec report).; ⁵ Margin calculated based on the average cost per sqm on apartments that qualify for renovation, average rental uplift on renovated apartments and SEK 25 in total cost savings, calculated as average uplift for apartments that meet a 6% NOI return threshold. Upgraded annual rent per sqm based on the formula:

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

During the nine months ended 30 September 2020, SBB completed the renovation of 437 apartments. A further 80 apartments are currently being renovated and renovation of a further 176 apartments is planned to commence within the next three months. During 2019 and 2018, the SBB Group renovated 562 and 415 apartments, respectively. SBB assesses 75 percent of the portfolio has renovation potential. For its current portfolio, the SBB Group has set a long-term target of 600 renovations per year in order to capture additional value from its remaining unrenovated rent-regulated residential properties.

6.9 Motala renovation case study

In 2016, SBB acquired a residential building in Motala comprising 476 apartments with an average rent of approximately SEK 750 per square metre. Based on the renovation plan presented, SBB signed an agreement with the tenant association for an uplift in rent to approximately SEK 1,250 per square metre after renovation. The renovation cost was approximately SEK 5,000 per square metre, which resulted in an approximately 10 percent yield on renovation costs. The property was disposed in June 2020.

Income from social infrastructure building rights and selectively participating in joint ventures

SBB further augments income from its core social infrastructure property management business by finding both new and already existing social infrastructure properties where it can work with local municipalities to determine, prior to acquiring the property, what is required for a new zoning plan to be approved allowing for the development of community services or rent-regulated residential properties. Zoning is a complicated, time-consuming process and good relations with the municipalities and officials forms a crucial aspect of the process. The SBB Group prepares an initial two-part acquisition analysis that assesses the current status of the chosen site and its long-term prospects. Following this, the SBB Group conducts its due diligence, whereby the main critical factors investigated are the property's technical condition, its net operating income and any potential legal risks. SBB then acquires the properties, commences work on pursuing the new zoning plan and seeks to divest the rezoned property either by selling it to, or forming a joint venture with, an experienced project developer. The project developer or the joint venture then takes responsibility for construction, including the necessary capital expenditures, upon the final approval of the zoning plan.

The SBB Group's goal is for SEK 500-700 million to be generated in average annual profit over a business cycle from project and property development.

SBB works actively to have zoning plans approved for property development within social infrastructure for various purposes (e.g., rent-regulated residential, community service properties and cooperatively owned housing). SBB also has extensive experience of conducting sales of building rights early in the planning process with closing after the zoning plan is approved. SBB's property development organisation is also responsible for project development that takes place within SBB's property portfolio as well as joint ventures related to property development.

As of 30 September 2020, the SBB Group had ongoing development projects in various phases of the planning process with a total area of 2,184,507 square metres. The planning process consists of various phases and SBB categorizes them as follows: initial project coordination (phase 1); projects pending formal planning decision (phase 2); projects with formal planning processes initiated (phase 3); and projects with new zoning plans granted (phase 4). While the timelines for various projects vary depending on how the projects are prioritised in phases 1 and 2, the SBB Group generally expects between 18 and 36 months to elapse during phases 3 and 4. As of 30 September 2020, the SBB Group's properties in phase 1 with a gross floor area ("GFA") of 724,570 square metres, a book value of SEK 581 million, properties in phase 2 with a GFA of 148,000 square metres, a book value of SEK 134 million, properties in phase 3 with a GFA of 870,753 square metres, a book value of SEK 1,515 million, and properties in phase 4 with a GFA of 441,184 square metres, a book value of SEK 900 million.

SBB had as of 30 September 2020, sold 426,600 square metres GFA building rights for SEK 1,468 million, with a value of SEK 3,442 per square metre and with closing after the zoning plan has been approved.

The table below shows the total area and book value of the SBB Group's property development properties by planning phase.

Planning phase	GFA building rights (m ²)	Book value (SEK million)	Book value per m ² (SEK million)
Phase 1	724,570	581	801
Phase 2	148,000	134	904
Phase 3	870,753	1,515	1,740
Phase 4	441,184	900	2,040
Total	2,184,507	3,130	1,433

The table below shows the split by square metres of the building rights (i) that have been sold, but had not yet closed as of 30 September 2020 and (ii) that had not been sold as of that date.

Planning phase	GFA building rights (m ²)	Value (SEK million)	Value per m ² (SEK million)
Sold, but not closed building rights	426,600	1,468	3,442
Unsold building rights.....	1,757,907	6,051	3,442
Total	2,184,507	7,520	3,442

The SBB Group believes that the potential value of the development portfolio is greater than the book value based on its estimates of the value of the unsold building rights in the portfolio when they enter phase 4 and estimates of further upside potential from joint venture development profits. The illustration below shows the SBB Group's view of the potential value of the development portfolio based on either building right sales or development for own management.

Illustrative scenarios, use of building rights	Building right sales	Development for own management
GFA building rights (sq.m.)	2,184,507	2,184,507
Sold building rights (sq.m.)	426,600	426,600
Building rights still in portfolio for development for own management (sq.m.)	1,757,907	1,757,907
Value (SEKm) – already sold to external parties	1,468	1,468
Proceeds (SEKm) – to be sold to external parties	6,051	-
Value (SEKm) – developed for own management (NOI 1 700 SEK/sq.m., yield 4,25 %)	-	59,769
Estimated Market Value (SEKm)	7,520	61,237
(-) Exploitation costs, other investments in building rights, and external valuation of building rights and cash-flow properties (SEKm)	(4,495)	(4,495)
(-) Production costs in development for own management (SEKm)	-	(44,827)
(+) Profits from already agreed JV collaborations (SEKm)	1,434	1,434
Estimated Profits (SEKm)	4,459	13,350
Estimated time to receive profits (years)	4	8
Estimated Recurring Profits p.a. (SEKm)	1,115	1,669

Input, development for own management	
NOI (SEK/sq.m. lettable area)	1,700
Valuation yield (%)	4,25 %
Property value (SEK/sq.m. lettable area)	40,000
Production costs (SEK/sq.m. lettable area)	30,000
Result (SEK/sq.m. lettable area)	10,000
Efficiency ratio (GFA/lettable area)	0,85
Result (SEK/sq.m. GFA)	8,500

Income from real estate transactions

SBB's principal focus is always on generating value from the existing portfolio while also building significant shareholder value by recovering capital when fully developed properties and/or non-core properties are sold. SBB continuously assesses the portfolio to identify potential and focus resources on the properties offering the greatest potential. SBB continuously works to sell properties assessed as fully developed or not assessed to be core holdings. Selling such properties entails capital being recovered and resources being freed up to facilitate additional attractive acquisitions whereby the quality of the portfolio is gradually raised. The company has a history of acquiring properties with AAA cash flows⁹⁴ and untapped potential value. Combined with a continuous pipeline of acquisitions and sales, this allows the company to constantly recover capital to generate benefit for shareholders.

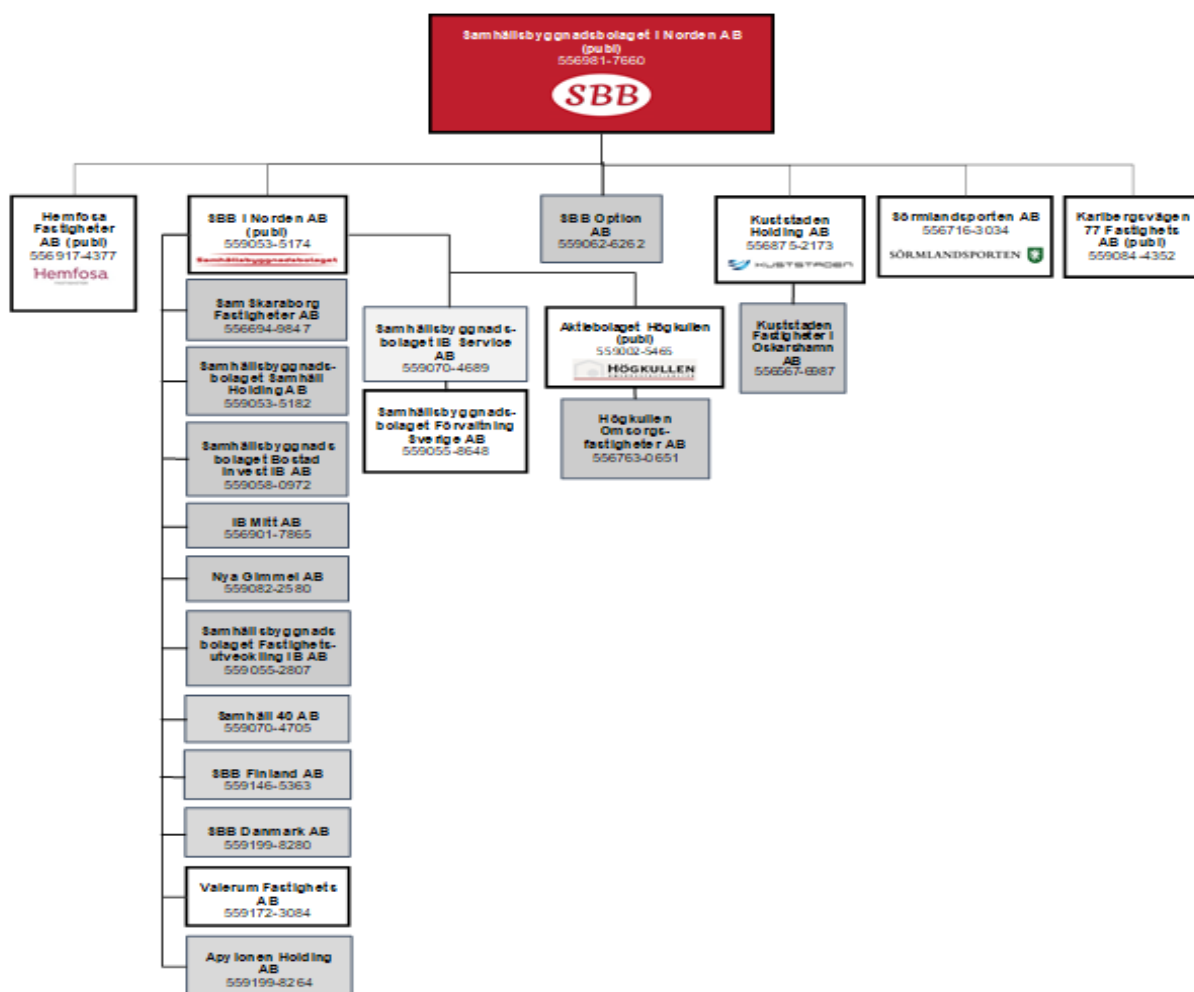
In this value-generating area, the company is also able to seize upon opportunities to make investments with a shorter investment horizon where these are deemed to generate shareholder benefit and include investments in equities and/or debt instruments.

6.10 Overview of the SBB Group's structure

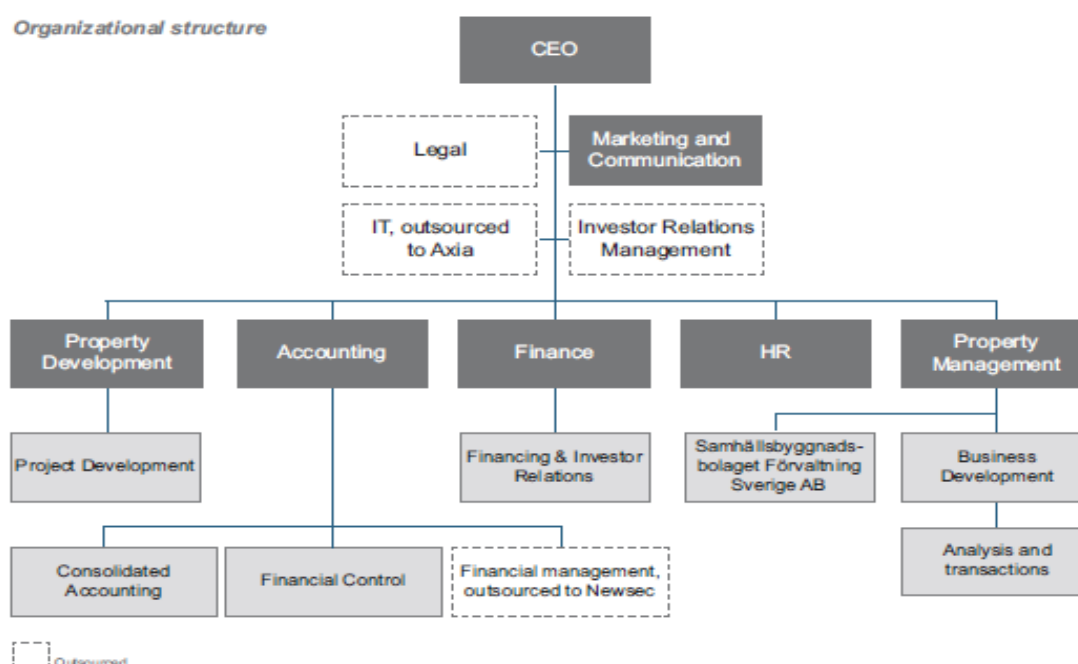
The SBB Group's operations are mainly carried out by its direct and indirect subsidiaries and the SBB Group is largely dependent on its subsidiaries in order to generate profit and cash flow. Samhällsbyggnadsbolaget i Norden AB (publ) is the parent company of the SBB Group. As of 30 September 2020, the SBB Group comprised a great number of entities formed in Sweden, Norway, Finland and Denmark.

The following chart illustrates the key subsidiaries within the SBB Group as of 30 September 2020. All of the companies are established in Sweden and are wholly-owned, directly or indirectly, by Samhällsbyggnadsbolaget i Norden AB (publ), with the exception of Hemfosa Fastigheter AB (publ), which is owned at approximately 98 percent by Samhällsbyggnadsbolaget i Norden AB (publ), with an ongoing compulsory redemption process according to the Swedish Companies Act (2005:551) on acquiring remaining holdings.

⁹⁴ Refers to SBB's cash flows close to 100 % (that is revenues from community service properties and rental properties) are either directly or indirectly guaranteed by the states in the Nordic countries (of which all but Finland have a AAA credit rating) as well as Swedish rent-regulated apartments with very low vacancy levels and a generally long queue to get an apartment.



The following chart shows the SBB Group's organizational structure.



6.11 Internal functions

The SBB Group has an in-house team of employees focusing on transactions, property management and property development.

Property development

When working on rezoning plans for the development of community services and rent-regulated residential properties, the SBB Group coordinates with municipal urban planning departments in various parts of the Nordics. SBB either sells the building rights outright or forms joint ventures with external financiers and contractors. The SBB Group's Property Development Manager and Deputy Chief Executive Officer are responsible for these processes along with its team.

Accounting and finance

The SBB Group's CFO is responsible for the accounting department, which includes internal resources for financial control and consolidated accounting. The SBB Group's Head of Finance is responsible for the capital markets department, which includes financing and investor relations.

HR

HR is a separate department within SBB headed by its Head of HR.

Property management

The SBB Group has an internal property management organisation, which contracts with external parties to provide services relating to the SBB Group's property portfolio. The SBB Group's property management department is headed by Lars Thagesson, the SBB Group's Deputy Chief Executive Officer and Chief Operating Officer.

SBB has an experienced asset management team with local market knowledge and a presence in all of the SBB Group's major investment markets.

6.12 Outsourcing arrangements

The SBB Group outsources its information technology and accounting functions and uses external counsel for legal services.

Legal

The SBB Group does not have an internal legal department, but instead relies on external counsel with expertise in the relevant area as needed.

Information technology

SBB has entered into a Swedish law-governed agreement with Axia IT AB pursuant to which Axia IT AB develops and manages the SBB Group's information technology infrastructure and operations. The agreement runs until 31 January 2021, unless extended no later than three months prior to that date.

Financial management

SBB has entered into a Swedish law-governed administrative services agreement with Newsec Asset Management AB pursuant to which Newsec Asset Management AB shall provide accounting services, including financial management, valuation and communication services, as well as administrative services regarding rents and agreements, property transactions and matters relating to budgets, prognoses and analyses. The agreement runs until 31 March 2023 and thereafter is subject to automatic one-year extensions, unless otherwise terminated in accordance with its terms.

6.13 Employees

The SBB Group believes that the knowledge, experience and commitment of its employees are key to the successful operation of its business and emphasizes a work environment that promotes employee development.

The SBB Group has strong teams in its various divisions including property management, property development, marketing and communications, finance, accounting and human resources and the SBB Group's future development and its employees are focused on property acquisition and disposals, property development activities and cost-effective property management.

The SBB Group had 225 full-time employees as of 30 September 2020. Approximately 70 percent of the SBB Group's employees are focused on property management.

The following table shows the number of full-time employees of the SBB Group in each location in which the SBB Group operates as of 30 September 2020, 31 December 2019, 31 December 2018 and 31 December 2017.

	As of 30 September	As of 31 December		
	2020	2019	2018	2017
Sweden	225	156	108	11
Norway	22	4	4	3
Finland	3	1	0	0
Total	250	161	112	14

6.14 Sustainability

Focus on sustainability

It is pleasing to note that SBB's long-term sustainability efforts give great results within ecological, social and economic sustainability.

Ecological sustainability

In August 2020, SBB's management team adopted an environmental and quality management system that will ensure a structured and uniform approach to issues of the environment and quality throughout the company. Matters including procedures for new construction, remodelling, renovation and management are regulated. Procedures are also defined for producing a training plan in the areas of the environment and quality. The work of developing a training plan commenced in close connection with the decision to adopt the environmental and quality management system and an initial training session has been booked in November.

During the third quarter 2020, SBB started up energy projects at the Isbjörnen 5 property in Södertälje, the Majsen 3 and Kråkan 1 properties in Avesta, the Västland 26:39 property in Sundsvall and the Kvarnluckan 1 property in Stockholm. In addition, SBB has initiated the procurement of additional energy projects at the Hosjö and Korsnäs areas in Falun, as well as at an additional four properties in Södertälje. The objective at all of these properties is to achieve

energy savings of at least 30 percent. The projects will generate positive environmental effects and reduce CO2 emissions. They will also generate good financial returns, as well as better housing comfort for SBB's tenants. SBB has also begun the process of automating its energy monitoring work by developing an AI robot that analyzes and compiles consumption data from energy invoices.

SBB has also decided to provide a housing app to all residential tenants commencing from the autumn of 2020. The objective is to provide added value to SBB's tenants, while also generating additional income streams through add-on sales and by mediating supplementary services. The big gain is expected to come from minimizing the use of paper for information and invoicing.

During the third quarter 2020, Mid Sweden University and SBB agreed on a new long-term green lease for the Åkroken campus in Sundsvall. This long-term agreement enables SBB to invest in aquifer thermal energy storage and cooling for the premises of Mid Sweden University. The savings provided by this contractual solution will benefit both parties by reducing overall costs. The partnership will also enable the certification of the property, allowing it to be included in SBB's framework for green financing.

Social sustainability

During the third quarter 2020, SBB decided to introduce youth housing in its portfolio of rent-regulated residential. Making it easier for young people to secure their own rental contracts represents a clear social contribution by a landlord, with employment and housing being two crucial criteria in avoiding social exclusion. SBB's local leasing agents earmark smaller apartments (studio apartments and one-bedroom apartments, with living room, kitchen and bathroom), preferably in locations with good public transport. Applications, lease signings, terms and conditions are identical to SBB's ordinary administrative procedures, except that the tenant must be under 26 years of age on the date on which he/she signs the contract.

In September 2020, the Municipality of Nyköping adopted a major new detailed development plan for the Nöthagen area, adjacent to Nyköping station. Today, this is an industrial area, but five years from now, the beginnings of a new district will be completed with housing, schools, health care facilities and residential care units with a total 160,000 sqm. GFA. SBB has involved the relevant stakeholders, including public authorities, organizations and the local community during the consultation and review stages of the planning process. The new detailed development plan takes socio-demographic trends into account by transforming a brownfield site into a neighbourhood with housing, schools, health care facilities and residential care units, all with nearby public transport connections.

This year 134 young people were given summer jobs at SBB. The young people offered summer jobs live in SBB's residential properties. This helps these young people enter the labour market, enhancing well-being in the local environment for SBB's tenants. The summer-time employees perform various tasks including weeding and tidying flower beds and pathways, cutting hedges, mowing lawns and painting and oiling outdoor furniture and playgrounds, as well as painting interior basement corridors.

During the third quarter 2020, SBB donated ten family tents to the UNHCR to assist its intensive on-site provision of humanitarian aid to the victims of the violent explosion in Beirut. The UNHCR put up temporary housing for people who had lost their homes. Building materials, tarpaulins, tents and tens of thousands of other items, including blankets and mattresses were sent to help the worst affected.

Commencing from the third quarter 2020, SBB is reporting more detailed data on income from various asset classes to further increase transparency and elucidate the social values inherent in SBB's business model. The schools category has, for example, been subdivided into preschools, primary and secondary schools, as well as universities and colleges.

Economic sustainability

During the third quarter 2020, SBB issued three green bonds amounting to SEK 400 million within its green financing framework, which was updated in the second quarter. This framework received a "Medium Green" assessment from the Center for International Climate and Environmental Research in Oslo, Norway (CICERO).

SBB aims to achieve an investment grade rating of BBB + in the short term and A- in the long term. This report clearly shows that SBB is well on its way to achieving the goal.

7 PRO FORMA FINANCIAL STATEMENTS

7.1 Purpose of the pro forma financial statements

SBB presents these pro forma financial statements for illustrative purposes only. The pro forma financial statements illustrate a hypothetical situation and do not reflect SBB's actual earnings or financial position. The pro forma financial statements are intended solely to provide information and highlight facts and not to show SBB's earnings or financial position at any specific future point in time.

7.2 Background of the pro forma financial statements

On 27 November 2020, SBB announced a public takeover bid regarding all shares in Entra (the "**Acquisition of Entra**"). SBB announced an updated Offer on 23 December 2020. The purchase price is estimated to amount to approximately SEK 34 billion, corresponding to NOK 190 per share in Entra. The purchase price comprises 35 per cent. in a number of newly issued shares in SBB that represent a value of NOK 66.50 per share and 65 per cent. as a cash portion that represent a value of NOK 123.50 per share. The number of SBB class B common shares that will be delivered under the share consideration will be calculated based on the volume-weighted average share price of the SBB class B common share during the last three trading days before the offer is declared unconditional by SBB in a stock exchange announcement and based on the average SEK/NOK exchange rate of Norges Bank on the last of these three trading days. On a preliminary basis, the newly issued shares, intended to be approved within the framework of a non-cash issue comprise a total 431,861,911 class B common shares based on the average price of SEK 27.271 per class B common share on 7 January 2021 and SEK/NOK exchange rate of 1.0284. Based on this preliminary calculation, the share consideration amounts to SEK 11,777 million and cash portion amounts to SEK 21,872 million.

The completion of the Acquisition of Entra is subject to several conditions, including, but not limited to, 90 per cent. minimum acceptance of the bid, and such conditions may be waived in whole or in part by SBB. The unaudited pro forma financial statements have been prepared assuming the transaction will be approved.

The acquisition of Hemfosa Fastigheter AB (publ) ("**Hemfosa**") was completed on 23 December 2019 (the "**Acquisition of Hemfosa**"). Hemfosa Fastigheter AB (publ) is included in financial statements of SBB as of 23 December 2019 onwards.

To present the hypothetical impact of the Acquisition of Entra and the Acquisition of Hemfosa and the hypothetical impact of debt issued to finance the acquisitions on SBB's earnings if completed on 1 January 2019, and the hypothetical impact of the Acquisition of Entra on SBB's financial position if completed on 30 September 2020, SBB has included pro forma financial statements for the 2019 financial year and for the period 1 January – 30 September 2020. The following pro forma financial statements are presented here:

- Pro forma income statement for the financial year ended 31 December 2019
- Pro forma income statement for the nine month period ended 30 September 2020
- Pro forma balance sheet as of 30 September 2020

Because of their nature, the pro forma financial statements address a hypothetical situation and, therefore, do not represent SBB's actual financial position or results if the transactions had in fact occurred on those dates and are not representative of the results of operations for any future periods. Investors are cautioned not to place undue reliance on these pro forma financial statements.

7.3 Basis and assumptions on which the pro forma financial statements have been prepared

7.3.1 Subscription to the acquisitions

The acquisition of Hemfosa and Entra encompasses all shares in Hemfosa Fastigheter AB (publ) and Entra and full subscription to the acquisitions has been assumed in the pro forma financial statements.

7.3.2 Presentation format

Because the companies use different presentation formats for their income statements and balance sheets, for the purposes of these pro forma financial statements, the presentation formats in Hemfosa's and Entra's financial reports have, as far as possible, been adjusted to conform with SBB's presentation format. SBB did not have access to Entra's associated underlying accounts when preparing the pro forma accounts, meaning that it was not possible to present the distribution between items in Entra's accounts. Accordingly, to achieve comparability between the financial statements

of SBB and Entra, Entra's presentation format has, in some instances, been used for pro forma purposes. The following adjustments have been made to the presentation format:

- Operating costs, maintenance, property administration and property tax in SBB are presented in the item Operating costs in the pro forma income statement
- Other long-term receivables in SBB are presented in the item Other long-term receivables and other assets in the pro forma balance sheet.
- Trade receivables in Entra are presented in the item Accounts receivable in the pro forma balance sheet.
- Other receivables in SBB are presented in the item Other receivables and other current assets in the pro forma balance sheet.
- Liabilities to credit institutions, bond loans and commercial papers in SBB are presented in the item Interest-bearing liabilities in the pro forma balance sheet.
- Other long-term liabilities, accounts payable, current tax liabilities, other liabilities and accrued expenses and prepaid income are presented in the item Other liabilities in the pro forma balance sheet.
- Other non-current liabilities and current liabilities are presented in the item Other liabilities in the pro forma balance sheet.

Entra include land lease agreement in the item Investment properties and lease liabilities in the item Other non-current liabilities. It has not been possible to distribute the items in Entra's balance sheet to conform with SBB's presentation form of separate balance sheet items.

Since the pro forma financial statements are presented in SEK million, figures in the pro forma financial statements and disclosures in the notes have, in some cases, been rounded off, which is why tables and totals do not always add up precisely.

Entra's financial statements are reported in NOK and have in the pro forma financial statements been translated to SEK according to the following exchange rates (which are the Sverige's Bank exchange rates, averaged for the period of each income statement, or on the closing date of the balance sheet):

- Pro forma income statement for the financial year ended 31 December 2019: NOK 1 = SEK 1.0747
- Pro forma income statement for the nine month period ended 30 September 2020: NOK 1 = SEK 0.9866
- Pro forma balance sheet as of 30 September 2020: NOK 1 = SEK 0.9513

7.3.3 Accounting principles

The pro forma financial statements are based on SBB's financial statements which have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU. See SBB's annual report for 2019. Entra also applies the IFRS as adopted by the EU, which are detailed in Entra's annual report for 2019. The pro forma financial statements have been prepared under the assumption of going concern.

7.3.4 Business v. asset acquisitions

Since SBB did not have complete access to the underlying accounts of Entra at the time of preparing the pro forma financial statements, it has not been possible to complete the classification whether the acquisition is a business combination or asset acquisition. The transaction is reported as a business combination acquisition in accordance with IFRS 3 in the pro forma financial statements.

7.3.5 Supporting documentation

For SBB, Hemfosa and Entra, the companies' audited annual financial statements for the 2019 financial year form the supporting documentation for the unaudited pro forma income statement for the financial year ended 31 December 2019. SBB's annual financial statements for the 2019 financial year were audited by EY, Hemfosa's annual report for the 2019 financial year was audited by KPMG and Entra's annual report for the 2019 financial year was audited by Deloitte. SBB's and Entra's interim financial statements for the period 1 January to 30 September 2020 form the supporting

documentation for the unaudited pro forma income statement for the nine month period ended 30 September 2020 and the unaudited pro forma balance sheet as of 30 September 2020. SBB's interim report was reviewed by EY according to ISRE 2410. Entra's interim report has not been audited or reviewed by Entra's auditor.

The pro forma financial statements do not include all of the information required for financial statements under International Financial Reporting Standards, and should be read in conjunction with the historical information of the companies as presented in the annual reports. In addition to the aforementioned public information, SBB has not been privy to any documentation relating to Entra's accounts.

7.4 Pro forma adjustments

The overarching nature of the pro forma adjustments is described below. The adjustments are described in greater detail in the notes to the pro forma financial statements. General synergies or integration expenses have not been included in the pro forma financial statements.

7.4.1 Adjustments to accounting principles

Based on public information, SBB has performed an analysis of the significant differences between the accounting principles of SBB and Entra. In SBB's assessment, there are no significant differences between the accounting principles of SBB and Entra that would have any significant effects on the financial data.

7.4.2 Acquisition analysis

In the pro forma financial statements, the purchase price for the Acquisition of Entra was calculated at SEK 33,649 million. In the preliminary acquisition analysis, the value of SBB's shares has been calculated based on SBB's average share price on 7 January 2021, amounting to SEK 27.271 per class B common share and SEK/NOK exchange rate of 1.0284.

Based on the above assumptions, the cash portion of the purchase price amounts to SEK 21,872 million and the portion for which the consideration will take the form of shares amounts to SEK 11,777 million.

When preparing the preliminary acquisition analysis, SBB did not have access to data allowing it to assess the fair value of Entra. This also means that the deferred tax related to the difference between the book values of investment properties and their tax values has not been determined. Accordingly, a preliminary acquisition analysis regarding Entra has been prepared based on Entra's consolidated balance sheet as of 30 September 2020.

When preparing the final acquisition analysis, all identifiable assets and liabilities will be recognized at fair value. Acquired properties will then be valued in accordance with SBB's process for determining the market value of each property. This value may deviate from the fair value of Entra's properties recognized as of 30 September 2020. When preparing the acquisition analysis, new intangible assets may also be identified, which may, in the future, entail amortization of these assets being charged against earnings. SBB has not had access to information enabling valuations of assets and liabilities and the transaction is reported as a business combination acquisition in accordance with IFRS 3 in the pro forma financial statements.

In the preliminary purchase price analysis, the difference between Entra's net assets and the purchase price has been recognized as goodwill.

7.4.3 Transactions expenses and financing

Transaction and issue expenses are, for pro forma purposes, assumed to have been incurred on 1 January 2019 and adjustments have been made for these in the pro forma income statement for the financial year ended 31 December 2019 and pro forma balance sheet as of 30 September 2020. The transaction costs are non-recurring in further periods.

In connection with the Acquisition of Entra but after 30 September 2020, SBB raised a bridge loan to secure the financing on which the Acquisition of Entra based. In the pro forma income statements, the bridge loan is treated as if it had been raised in connection with the hypothetical acquisition date of 1 January 2019. The ultimate financing of the Acquisition of Entra may, however, look different, resulting in other interest expenses. In the pro forma income statement ending on 31 December 2019, financing costs for the Acquisition of Hemfosa are included as if the financing was raised on 1 January 2019 and are dependent on future changes in financing.

Entra has outstanding bonds subject to early redemption terms in the event of changes in ownership. It has not been possible to make a complete assessment of the outcome of the change of control on Entra's financing. For this reason,

in the pro forma financial statements it is assumed that these loans will not be settled in connection with the implementation of the Acquisition of Entra.

7.4.4 Tax effect on adjustments

The tax effect has been taken into account in connection with all adjustments deemed tax deductible or taxable in the pro forma financial statements. The calculated tax effect may differ from the actual tax effect on implementation of the Acquisition of Entra and Hemfosa.

The tax calculations for current tax are based on a tax rate of 21.4 per cent. for 2019 and 2020.

7.5 Pro forma income statement for the financial year ended 31 December 2019

In SEK million

	SBB (190101- 191231) IFRS	Hemfosa (190101- 191222) IFRS	Pro forma adjustments	Note	Entra (190101- 191231) IFRS	Pro forma adjustments	Note	SBB Pro forma income statement Total
	(Audited)	(Audited)	(Unaudited)		(Audited)	(Unaudited)		(Unaudited)
Rental income	1,996	2,810			2,513			7,319
Operating costs	(731)	(803)			(203)			(1,737)
Net operating income	1,265	2,007	-		2,310	-		5,582
Central administration	(136)	(179)			(184)			(498)
Acquisition and restructuring costs	(83)	-	(83)	A1	-	(246)	B1	(412)
Other operating income and expenses...	-	8			43			51
Result from associated companies/joint ventures	92	30			335			457
Profit before financial items	1,138	1,867	(83)		2,504	(246)		5,180
Financial income and expenses	(493)	(546)	(4)	A2	(592)	(317)	B2	(1,953)
Profit from property management...	645	1,320	(87)		1,913	(563)		3,228
Changes in value, property	2,453	1,531			2,052			6,036
Dissolution of goodwill after property sales	-	-			-			-
Changes in value, derivatives	39	65			49			153
Profit before tax	3,137	2,916	(87)		4,014	(563)		9,417
Tax	(513)	(545)	1	A3	(547)	68	B3	(1,536)
Net profit for the year	2,624	2,372	(86)		3,466	(495)		7,880

7.5.1 Notes to the pro forma accounts

A1

Transaction expenses totalling SEK 83 million attributable to the acquisition of Hemfosa are assumed to have arisen on 1 January 2019, entailing a pro forma adjustment in the income statement for acquisition and restructuring costs. The expenses are items of a non-recurring nature and are assumed not to be deductible.

A2

The cash consideration for the Acquisition of Hemfosa totalling SEK 11,372 million was financed through proprietary funds of SEK 9,243 million, bond loans and commercial papers of SEK 685 million and a rights issue of SEK 1,500 million. The new financings have an average annual interest rate of 0.65 per cent. This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 4 million. The adjustment is expected to have a continuing impact on SBB.

Arrangement fees related to the debt financing are assumed to be zero. The issuing costs for the rights issue are not adjusted for in the income statement.

This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 4 million.

A3

The pro forma adjustments presented regarding financing expenses have an impact on the tax expense for the period. The adjustment relates to a positive effect of SEK 1 million regarding tax related to the increased interest expenses (21,4 per cent. of SEK 4 million). The adjustment is expected to have a continuing impact on SBB.

B1

Transaction expenses totalling SEK 246 million attributable to the Acquisition of Entra are assumed to have arisen on 1 January 2019, entailing a pro forma adjustment in the income statement for acquisition and restructuring costs. The expenses are items of a non-recurring nature and are assumed not to be deductible.

B2

The cash consideration for the acquisition of Entra totalling SEK 21,872 million, as well as transaction and issue expenses totalling SEK 379 million, will be financed through proprietary funds of SEK 5,851 million and a bridge loan of SEK 16,400 million. The bridge loan has an annual interest rate of NIBOR for the relevant interest period plus a margin of 1.2 per cent. In the pro forma financial statements, NIBOR 1 month of 0.23 per cent. is used as the benchmark rate, which corresponds to a total annual interest rate of 1.43 per cent. This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 235 million. The ultimate financing may, however, look different, resulting in other interest expenses.

Arrangement fees for the utilized bridge loan of SEK 144 million has been accrued over the tenor of the loan (assumed to correspond to the pro forma period of 21 months) and is SEK 82 million for the period. The expenses are items of a non-recurring nature.

This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 317 million.

B3

The pro forma adjustments presented regarding financing expenses have an impact on the tax expense for the period. The adjustment relates to a positive effect of SEK 68 million regarding tax related to the increased interest expenses (21,4 per cent. of SEK 317 million). The ultimate financing may, however, look different, resulting in other interest expenses and also different tax expenses. The adjustment may have a continuing impact on SBB.

7.6 Pro forma income statement for the nine month period ended 30 September 2020

<i>In SEK million</i>	SBB (200101 – 200930)	Entra (200101- 200930)	Pro forma adjustments	Note	SBB Pro forma income statement Total
	IFRS	IFRS			
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>
Rental income	3,868	1,739			5,607
Operating costs	(1,199)	(152)			(1,351)
Net operating income	2,669	1,587	-		4,256
Central administration	(173)	(129)			(302)
Acquisition and restructuring costs	(49)				(49)
Other operating income and expenses	-	27			27
Result from associated companies/joint ventures	42	91			133
Profit before financial items	2,489	1,576	-		4,065
Financial income and expenses	(888)	(411)	(237)	A1	(1,536)
Profit from property management	1,601	1,163	(237)		2,527
Changes in value, property	5,248	1,491			6,739
Dissolution of goodwill after property sales	(439)				(439)
Changes in value, derivatives	(268)	(334)			(602)
Profit before tax	6,142	2,319	(237)		8,224
Tax	(408)	(495)	51	A2	(853)
Net profit for the year	5,734	1,825	(186)		7,373

7.6.1 Notes to the pro forma accounts

A1

The cash consideration for the acquisition of Entra totalling SEK 21,872 million, as well as transaction and issue expenses totalling SEK 379 million, will be financed through proprietary funds of SEK 5,851 million and a bridge loan of SEK 16,400 million. The bridge loan has an annual interest rate of NIBOR for the relevant interest period plus a margin of 1.2 per cent. In the pro forma financial statements, NIBOR 1 month of 0.23 per cent. is used as the benchmark rate, which corresponds to a total annual interest rate of 1.43 per cent. This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 176 million. The ultimate financing may, however, look different, resulting in other interest expenses.

Arrangement fees for the utilized bridge loan of SEK 144 million has been accrued over the tenor of the loan (assumed to correspond to the pro forma period of 21 months) and is SEK 62 million for the period. The expenses are items of a non-recurring nature.

This entails a pro forma adjustment in the income statement for increased interest expenses totalling SEK 237 million.

A2

The pro forma adjustments presented regarding financing expenses have an impact on the tax expense for the period. The adjustment relates to a positive effect of SEK 51 million regarding tax related to the increased interest expenses (21.4 per cent. of SEK 237 million). The ultimate financing may, however, look different, resulting in other interest expenses and also different tax expenses. The adjustment may have a continuing impact on SBB.

7.7 Pro forma balance sheet as of 30 September 2020

In SEK million

	SBB (200930) IFRS (Unaudited)	Entra (200930) IFRS (Unaudited)	Pro forma adjustments (Unaudited)	Note	SBB Pro forma balance sheet Total (Unaudited)
ASSETS	-	-	-		-
Fixed assets	-	-	-		-
Goodwill	6,261	111	7,876	A	14,248
Investment properties.....	81,187	49,434	4,471	A	135,092
Land lease agreements	460	-	-		460
Equipment, machinery and installations.....	16	-	-		16
Shares in associated companies/joint ventures	1,233	476	-		1,709
Receivables from associated companies/joint ventures.....	1,128	-	-		1,128
Financial assets at fair value	1,605		-		1,605
Derivatives		421			421
Other long-term receivables.....	23	299	-		322
Other fixed assets	-	17	-		17
Total fixed assets	91,913	50,757	12,347		155,017
Current assets					
Accounts receivables.....	21	63	-		84
Other receivables	2,241	285	-		2,526
Cash and cash equivalents.....	6,065	287	(5,994)	B	358
Inventory properties		398	-		398
Total current assets	8,327	1,033	(5,994)		3,366
TOTAL ASSETS	100,240	51,790	6,353		158,383
EQUITY AND LIABILITIES					
Equity	41,983	24,203	(10,859)	C	55,327

<i>In SEK million</i>	SBB (200930) IFRS	Entra (200930) IFRS	Pro forma adjustments	Note	SBB Pro forma balance sheet Total
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>		<i>(Unaudited)</i>
Interest-bearing liabilities.....	47,984	19,680	16,256	D	83,920
Deferred tax liabilities	6,310	5,571	984	E	12,865
Liabilities leasing	460	-	-		460
Derivatives	120	808	-		928
Other liabilities.....	3,383	1,528	(28)	F	4,883
Total liabilities.....	58,257	27,587	17,212		103,056
	-	-	-		-
TOTAL EQUITY AND LIABILITIES	100,240	51,790	6,353		158,383

7.7.1 Notes to the pro forma accounts

A

In the pro forma financial statements, the preliminary purchase price was calculated at SEK 33,649 million. The final value of shares issued in SBB and the exchange rate used in the purchase price calculation might differ from the value in the pro forma financial statements.

SBB has for the purposes of the pro forma financial statements performed a preliminary purchase price allocation. This allocation has formed the basis for the presentation in the pro forma balance sheet. The final allocation may significantly differ from this allocation and could materially affect the presentation in the pro forma balance sheet. The main uncertainty relates to the share price of SBB and the SEK/NOK exchange rate. For purposes of the pro forma balance sheet, the consideration has been estimated based on the share price and the SEK/NOK exchange rate as at 7 January 2021, whilst the final purchase price will be based on the average share price during the last three trading days before the offer is declared unconditional by SBB and the average SEK/NOK exchange rate on the last of these three trading days.

On 9 December 2020 Entra announced the result of an updated valuation of the property portfolio as per 30 September 2020 that had been performed in December. The updated valuation increases the value of Entra's property portfolio from NOK 51.8 billion as presented in the report as per 30 September 2020 to NOK 56.5 billion. This entails a pro forma adjustment in the balance sheet for investment properties of SEK 4,471 million. Since SBB has not had access to information enabling valuation of assets and liabilities of Entra, the deferred tax relating to the difference between the book values of investment properties and their tax values could not be determined and has not been taken into account except for deferred tax related to the value of investment properties recognized in the preliminary acquisition analysis. Accordingly, the preliminary acquisition analysis has been based on the values recognized in Entra's balance sheet as of 30 September 2020 with the addition of the updated valuation announced by Entra described above.

The difference between Entra's net assets and the purchase price has been recognized as goodwill in the amount of SEK 7,876 million. This is a non-recurring adjustment.

Preliminary acquisition analysis as of 30 September 2020:

Purchase price	SEK 33,649 million
Acquired equity incl. non-controlling interest	SEK -24,203 million
Investment properties	SEK -4,471 million
Deferred tax	SEK 984 million
Non-controlling interest	SEK 1,917 million

Goodwill **SEK 7,876 million**

B

The cash consideration totalling SEK 21,872 million will be financed with proprietary funds of SEK 5,851 million and the bridge loan of SEK 16,400 million. This entails a pro forma adjustment of cash and cash equivalents by SEK 5,851 million

before deduction of arrangement fees for the bridge loan of SEK 144 million. This entails a pro forma adjustment for cash and cash equivalents by SEK 5,994 million.

Transaction and issue expenses attributable to the acquisition are assumed to have arisen on 1 January 2019, entailing an adjustment being made in equity and cash and cash equivalents as of 30 September 2020. Transaction expenses are estimated at SEK 246 million and issue expenses are estimated at SEK 133 million. Only the issue expenses are assumed to be deductible.

This is a non-recurring adjustment.

C

Equity has been adjusted for the share issue, increasing equity by SEK 11,777 million following the deduction of issue expenses of SEK 104 million after tax. Transaction expenses are items of a non-recurring nature and are expected to reduce equity by SEK 246 million and acquired equity excl. non-controlling interest in Entra (SEK 22,286 million) has been eliminated. These are non-recurring adjustments.:

Pro forma equity adjustments:

Non-cash issue	SEK 11,777 million
Issue expenses, after tax	SEK -104 million
Transaction expenses	SEK -246 million
Elimination of acquired equity incl. non-controlling interest	SEK -24,203 million
Non-controlling interest	SEK 1,917 million
Pro forma equity adjustment	SEK -10,859 million

D

Interest-bearing liabilities have been adjusted for the bridge loan of SEK 16,400 million used for the partial financing of the Acquisition of Entra, following the deduction of the expenses of SEK 144 million for raising the bridge loan. The expenses are items of a non-recurring nature.

E

Deferred tax has been adjusted for deferred tax of SEK 984 million attributable to the recognized value of investment properties of 4,471 million. The tax calculation is based on a tax rate of 22 per cent. These are non-recurring adjustments.

F

Tax liabilities have been adjusted for tax attributable to issue expenses of SEK 28 million. These are non-recurring adjustments.

8 PROPERTY VALUATION REPORTS

The property valuation reports concerning SBB's property portfolio, which have been attached to this Offer Document (the "**Valuation Reports**"), have been issued, at the request of SBB, by the external valuers, as defined by the RICS in their Valuation – Global Standards 2020, Sergels Torg 12, SE-111 57 Stockholm, Sweden; Newsec Advice AB, Stureplan 3, SE-111 45 Stockholm, Sweden; Jones Lang LaSalle Holding AB, Birger Jarlsgatan 25, SE-111 45 Stockholm, Sweden; Colliers International Danmark A/S, Palægade 2-4, 1261 Copenhagen, Denmark and CBRE Sweden AB, Jakobsbergsgatan 16, SE-111 44 Stockholm, Sweden (jointly the "**Independent Valuers**") during the period 30 September – 26 November 2020. The Valuation Reports from the Independent Valuers have been attached to this Offer Document as [Appendix C](#). The Valuation Reports comprise SBB's complete and full property portfolio as of 30 September 2020 with the valuation date 30 September 2020 (22 September 2020 for the valuation report of Colliers International Danmark A/S and 19 November 2020 for the valuation report of CBRE Sweden AB) and the total of the aggregate market values of the properties reported therein is SEK 81.2 billion.

The Independent Valuers do not have any material interests in SBB and has each consented to its Valuation Reports being incorporated in this Offer Document. Information from third parties has been accurately reproduced in this Offer Document and, as far as SBB is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. For information on material changes in the property portfolio following 30 September 2020, please see Section 6.3 "Significant events following 30 September 2020". Other than such events, no material changes in SBB's property portfolio has occurred after 30 September 2020.

The information included in this Offer Document that has been based on the Valuation Reports may entail risks and uncertainties and become subject to alterations due to a number of external factors, including those portrayed in Section 1 "Risk factors". The valuation of investments in properties and connected assets includes a certain amount of estimations and SBB and/or the Independent Valuers have needed to make assumptions, estimations and assessments regarding a number of factors. Valuations of properties are by nature subjective and uncertain and are based on assumptions that may turn out to have been inaccurate or be affected by factors outside of SBB's control, and SBB may not be able to realise the estimated value in the case of disposal.

The Valuation Reports are attached to this Offer Document as [Appendix C](#).

9 SELECTED CONSOLIDATED FINANCIAL, OPERATING AND OTHER DATA

9.1 Introduction

The selected consolidated financial information set forth below has been derived from (i) the audited consolidated financial statements of the SBB Group as of and for the years ended 31 December 2019, 2018 and 2017, including the related notes thereto, which have been prepared in accordance with IFRS as adopted by the EU (respectively, the "**2019 Audited Financial Statements**", the "**2018 Audited Financial Statements**" and the "**2017 Audited Financial Statements**"); together the "**Audited Financial Statements**"; and (ii) the unaudited interim consolidated financial statements of the SBB Group for the nine months periods ended on 30 September 2020 and 2019 respectively, including the related notes thereto, which have been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act (the "**Unaudited Interim Financial Statements**"), and together with the Audited Financial Statements the "**Historical Financial information**", where the financial reports for the nine months periods which ended on 30 September 2020 and 2019 respectively has been reviewed by Ernst & Young AB as set forth in their pertaining report.

Apart from what is stated regarding the Historical Financial Information, no information in this Offer Document has been audited or reviewed by the SBB Group's auditor.

9.2 Consolidated income statement

Set out in the table below is the SBB Group's consolidated income statement for the nine months ended 30 September 2020 and 2019, the years ended 31 December 2019, 2018 and 2017

	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019 (audited)	2018 (audited)	2017 (audited)
Rental income	3,868	1,400	1,996	1,680	1,339
Operating costs.....	(743)	(326)	(471)	(387)	(303)
Maintenance	(218)	(78)	(115)	(100)	(63)
Management administration.....	(150)	(68)	(104)	(92)	(74)
Property tax.....	(88)	(25)	(41)	(32)	(23)
Net property costs	(1,199)	(497)	(731)	(610)	(462)
Net operating income	2,669	903	1,265	1,071	877
Central administration costs.....	(173)	(85)	(136)	(102)	(76)
Results from associated companies/joint ventures	42	57	92	13	-
Profit before financial items	2,489	875	1,138	982	801
Interest income and similar items.....	102	75	102	4	12
Interest expenses and similar items.....	(716)	(325)	(482)	(538)	(476)
Expenses for redeemed loans in advance.....	(157)	(130)	(197)	(127)	-
Translation gains/losses	(103)	15	91	-	-
Leasing expenses	(14)	(2)	(7)	-	-
Net financial items	(888)	(367)	493	(661)	(464)
Profit from property management	1,601	508	645	321	338
Changes in property value.....	5,248	1,136	2,453	1,575	2,797
Changes in derivatives value.....	(268)	(118)	39	8	(4)
Profit before tax	6,142	1,526	3,137	1,904	3,131
Tax.....	(408)	(189)	(513)	(214)	(702)
Net profit for the period	5,734	1,337	2,624	1,690	2,429

9.3 Consolidated statement of financial position

Set out in the table below is the SBB Group's statement of financial position as of 30 September 2020 and 2019, and 31 December 2019, 2018 and 2017

	As of 30 September		As of 31 December		
	2020	2019	2019	2018	2017
	(unaudited)		(SEK million)		
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	6,261	24	6,687	24	-
Total intangible assets	6,261	24	6,687	24	-
Tangible assets					
Investment properties.....	81,187	30,776	79,542	24,243	23,001
Land lease agreements	460	137	445	-	-
Equipment, machinery and installations.....	16	4	21	5	10
Total tangible fixed assets.....	81,663	30,917	80,008	25,247	23,011
Financial fixed assets					
Shares in associated companies/joint ventures.....	1,233	535	909	213	111
Receivables from associated companies/joint ventures.....	1,128	1,754	1,142	583	-
Financial fixed assets at fair value	1,605	239	459	-	-
Other long-term receivables.....	23	39	24	74	11
Total financial fixed assets	3,989	2,567	2,607	870	121
Total fixed assets	91,913	33,508	89,302	26,140	23,132
Current assets					
Current receivables					
Accounts receivable	21	27	53	30	26
Receivables from associated companies/joint ventures.....	-	-	-	991	-
Current assets at cost	-	165	-	-	-
Other receivables	1,953	333	791	290	278
Prepaid expenses and accrued income	288	101	158	32	40
Total current receivables	2,262	626	1,002	1,344	344
Short-term investments	-	1,094	1,041	-	-
Cash and cash equivalents.....	6,065	8,532	12,858	157	93
Total current assets.....	8,327	10,252	14,901	1,501	436
TOTAL ASSETS.....	100,240	43,760	104,203	27,641	23,569
EQUITY AND LIABILITIES					
Share capital.....	144	83	134	80	74
Other contributed capital	22,481	5,302	17,658	4,345	3,040
Reserves	-	-	-	(100)	(76)
Retained earnings including comprehensive income	9,087	5,487	6,512	4,685	3,351
Equity attributable to the parent company's shareholders	31,712	10,872	24,304	9,010	6,389
Hybrid bonds	9,893	5,029	4,629	1,873	668
Reserves	-	-	-	(8)	(18)
Non-controlling interests	378	39	1,963	322	597
Total equity	41,983	15,940	30,896	11,197	7,636
Long-term liabilities					
Liabilities to credit institutions.....	11,387	5,635	22,073	5,898	6,596
Bond loans	30,266	17,763	23,720	6,599	5,941
Derivatives	120	118	25	12	32
Long-term liabilities to owners	-	-	-	-	34
Liabilities leasing	460	137	445	-	-
Deferred tax liabilities	6,310	1,238	6,237	1,047	863

	As of 30 September		As of 31 December		
	2020	2019	2019	2018	2017
	(unaudited)		(SEK million)		
Other long-term liabilities	667	33	22	25	14
Total long-term liabilities	49,210	24,924	52,522	13,580	13,482
Current liabilities					
Liabilities to credit institutions	320	135	3,912	12	637
Commercial papers	3,816	1,728	4,944	1,840	-
Bond loans	2,195	70	1,442	327	660
Accounts payable	128	78	131	88	135
Short-term liabilities to owners	-	-	-	-	40
Current tax liabilities	138	47	126	19	53
Other liabilities	1,397	404	8,822	279	654
Accrued expenses and prepaid income	1,053	434	1,408	299	270
Total current liabilities	9,047	2,896	20,785	2,864	2,450
TOTAL EQUITY AND LIABILITIES	100,240	43,760	104,203	27,641	23,569

9.4 Consolidated statement

Set out in the table below is the SBB Group's consolidated statement of cash flows for the nine months ended 30 September 2019 and 2018, and the years ended 31 December 2019, 2018 and 2017

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(unaudited)		(SEK million)		
Operations					
Profit from property management	1,601	508	645	321	338
Adjustments for non-cash flow items					
Depreciations	2	1	3	1	2
Income from associated companies/joint ventures	(42)	(57)	(92)	-	-
Net interest income/expense	888	367	493	661	464
Interest paid	(856)	(390)	(459)	(739)	(416)
Interest received	89	73	97	4	12
Income tax paid	(92)	(52)	(34)	(1)	(40)
Net cash from operating activities before changes in working capital	1,590	450	653	248	361
Cash flow from changes in working capital					
Changes in current receivables	(1,252)	(106)	(644)	(6)	(181)
Changes in current liabilities	(8,558)	143	9,443	(402)	330
Cash flow from operations	(8,220)	487	9,452	(161)	510
Investment activities					
Investments in properties	(8,078)	(10,069)	(58,258)	(3,908)	(13,674)
Divestment of properties	10,339	6,024	6,672	3,418	737
Investments/sales equipment, machinery, installations	3	-	(19)	5	(6)
Investments in associated companies/joint ventures	(324)	(264)	(606)	(102)	(28)
Investments in intangible fixed assets	(11)	-	(4,295)	(24)	-
Changes in receivables from associated companies/joint ventures	6	(178)	432	(1,574)	-
Changes in financial assets	(205)	(1,408)	(1,459)	-	-
Changes in other long-term receivables	18	(28)	(13)	(63)	3
Cash flow from investment activities	1,748	(5,923)	(57,546)	(2,249)	(12,973)
Financing activities					
New share issues, issues in kind, set-of issue	2,655	1,053	13,406	1,380	2,832
Issue hybrid bonds	5,280	3,115	4,600	1,505	668

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
(unaudited)					
Issue mandatory convertibles	2,148	-	-	-	-
Redeemed preference shares	-	(93)	(83)	(98)	-
Repurchase hybrid loans	-	-	(2,156)	(317)	-
Redeemed warrants	-	-	-	(93)	-
Issue warrants	-	-	3	9	2
Dividends paid	(563)	(390)	(426)	(186)	(71)
Shareholder contributions received	-	-	-	-	-
Acquired minority shares	-	-	1,930	13	315
Redeemed minority shares	(2,371)	(345)	(349)	(298)	(188)
New loans	22,548	21,389	53,766	7,516	11,102
Amortization of loans	(30,499)	(10,929)	(12,362)	(6,895)	(1,846)
Occupied debt to owners	-	-	-	-	74
Amortization of loans from shareholders	-	-	-	(74)	(794)
Change in other long-term liabilities	486	8	2,467	12	(45)
Cash flow from financing activities	(316)	13,808	60,796	2,474	12,049
Cash flow for the period	(6,788)	8,372	12,702	64	(414)
Cash and cash equivalents at the beginning of the period	12,858	157	157	93	506
Translation difference of cash and cash equivalents	(9)	1	(8)	(0)	(0)
Cash and cash equivalents at the end of the period	6,065	8,532	12,858	157	93

9.5 Non-IFRS financial data and reconciliation tables

9.5.1 Introduction

This Offer Document contains certain financial measures that are not defined or recognized under IFRS. Such non-IFRS financial measures and ratios include Passing Rent, Passing NOI, EPRA NRV (long-term net asset value), EPRA NRV (long-term net asset value) per share, EPRA NTA (current net asset value), EPRA NTA (current net asset value) per share, Net Operating Margin, Net Initial Yield, Loan-to-Value Ratio, Secured Loan-to-Value Ratio, Interest Coverage Ratio and Return on Shareholders' Equity.

Passing Rent, Passing NOI, EPRA NRV (long-term net asset value), EPRA NRV (long-term net asset value) per share, EPRA NTA (current net asset value), EPRA NTA (current net asset value) per share, Net Operating Margin, Net Initial Yield, Loan-to-Value Ratio, Secured Loan-to-Value Ratio, Interest Coverage Ratio and Return on Shareholders' Equity are presented because the SBB Group believes they are important supplemental measures of the SBB Group's performance and a basis upon which the SBB Group's management assesses performance. SBB also believes Passing Rent, Passing NOI, EPRA NRV (long-term net asset value), EPRA NRV (long-term net asset value) per share, EPRA NTA (current net asset value), EPRA NTA (current net asset value) per share, Net Operating Margin, Net Initial Yield, Loan-to-Value Ratio, Secured Loan-to-Value Ratio, Interest Coverage Ratio and Return on Shareholders' Equity are useful to investors because they and similar measures, are frequently used by securities analysts, investors, ratings agencies and other interested parties to evaluate other companies in the SBB Group's industry and as supplemental measures of performance and liquidity. The SBB Group further believe that these and similar measures are widely used in the markets in which the SBB Group operates as a means of evaluating a company's operating performance and financing structure.

The following tables show certain key non-IFRS financial data that the Directors believe provide useful supplemental information to understand and analyse the SBB Group's underlying results.

9.5.2 Key performance indicators and other historical financial and operating data

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
Operational data					
Gross asset value of properties (SEK million)	81,187	30,776	79,542	25,243	23,001
Number of properties	1,455	842	1,394	570	749
Lettable area of properties (m2 thousands)	3,820	1,795	4,233	1,330	1,366

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
Passing Rent (SEK million) ⁽¹⁾	4,759	2,003	5,217	1,585	1,588
Passing NOI (SEK million) ⁽²⁾	3,467	1,374	3,713	1,112	1,111
EPRA					
EPRA NRV (long-term net asset value) (SEK million) ⁽⁵⁾	30,866	9,914	24,855	-	-
EPRA NRV (long-term net asset value) per share (SEK) ⁽⁶⁾	24.36	13.11	20.04	-	-
EPRA NTA (Current net asset value) (SEK million) ⁽³⁾	23,844	8,786	17,931	-	-
EPRA NTA (Current net asset value) per share (SEK) ⁽⁴⁾	18.8	11.62	14.45	-	-
Key ratios					
Net Operating Margin (%) ⁽⁷⁾	69	65	63	64	65.5
Net Initial Yield (%) ⁽⁸⁾	4.5	4.7	4.8	4.7	5.1
Equity Ratio (%) ⁽⁹⁾	42	36	30	40.5	32
Loan-to-Value Ratio (%) ⁽¹⁰⁾	42	38	41	53	58
Secured Loan-to-Value Ratio (%) ⁽¹¹⁾	13	16	26	-	-
Interest Coverage Ratio (%) ⁽¹²⁾	3.3	2.4	2.6	-	-
Shares data					
Average number of Class A and Class B shares	1,265,183,353	756,049,031	762,481,721	741,569,031	653,360,953
Average number of Class D shares	116,873,168	62,248,416	65,967,084	918,854	-
Average number of preference shares.....	30,713	153,947	122,886	324,983	168,360
Basic number of Class A and Class B shares at period end	1,268,092,596	756,049,031	1,240,526,587	756,049,031	737,949,031
Number of Class D shares at period end	172,021,720	76,498,230	104,425,359	41,626,390	-
Number of preference shares at period end	30,713	30,713	30,713	175,251	333,205
Earnings per Class A and Class B share (SEK)	4.15	1.41	2.97	2.07	3.60
Earnings per Class D share (SEK)	1.50	1.50	2.00	0.50	-
Shareholders' equity (SEK million)	31,711	10,872	24,304	9,009	6,389
Return on Shareholders' Equity (%) ⁽¹³⁾	16	10	12	17.9	52.0
(1) "Passing Rent" represents contracted rental income (including additions and rent discounts) and other real estate-related income on a rolling 12-months basis, based on current lease contracts as of the period end.					
(2) "Passing NOI" is calculated as Passing Rent less budgeted annual operating costs, budgeted annual maintenance costs, annualised management administration costs and budgeted property tax expense, as shown in the following table. For more detailed information regarding Passing NOI as of 30 September 2020, see Section 9.6 "Current earning capacity".					

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
Passing Rent	4,759	2,003	5,217	1,585	1,588
Budgeted annual operating costs.....	(765)	(402)	(881)	(307)	(292)
Budgeted annual maintenance costs	(316)	(137)	(362)	(88)	(100)
Management administration costs.....	(117)	(65)	(139)	(52)	(58)
Budgeted property tax expense.....	(93)	(26)	(121)	(26)	(27)
Passing NOI.....	3,467	1,374	3,713	1,112	1,111
(3) "EPRA NTA (Current net asset value)" represents total equity, excluding hybrid bond, non-controlling interests, preference share capital, D share capital and good will pertaining to deferred tax, adding back derivative interest-rates and tax as shown in the following table.					

	For the nine months ended 30 September		For the year ended 31 December
	2020	2019	2019
Equity	41,983	15,940	30,896
Hybrid bonds	(9,893)	(5,029)	(4,629)
Non-controlling holdings.....	(378)	(39)	(1,963)
Preference share capital	(15)	(15)	(15)
D-share capital.....	(5,288)	(2,299)	(3,255)
Reversal of derivatives.....	120	118	(48)
Good will pertaining to deferred tax.....	(1,952)		(2,368)
Other Good will	(4,309)	(24)	(4,319)
Reversal of deferred tax	6,310	1,238	6,237
Deferred tax deduction (5.5%).....	(2,733)	(1,104)	(2,604)

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017

EPRA NTA (Current net asset value)..... **23,844** **8,786** **17,931**

(4) **"EPRA NTA (Current net asset value) per share"** represents EPRA NTA (Current net asset value) divided by the basic number of Class A shares and Class B shares as of the end of the period.

(5) **"EPRA NRV (Long-term net asset value)"** represents EPRA NTA (Current net asset value) with derivation of derivatives and reversal of deferred tax deduction at 5.5 percent, as shown in the following table.

	For the nine months ended 30 September		For the year ended 31 December
	2020	2019	2019

EPRA NTA (Current net asset value)..... 23,844 8,786 17,931

Reversal of other good will..... 4,309 24 4,319.00

Reversal of deferred tax deduction (5.5%) 2,733 1,104 2,604

EPRA NRV (Long-term net asset value) 30,886 9,914 24,855

(6) **"EPRA NTA (Long-term net asset value) per share"** represents EPRA NRV (Long-term net asset value) divided by the basic number of Class A shares and Class B shares as of the end of the period.

(7) **"Net Operating Margin"** represents net operating income as a percentage of rental income for the period.

(8) **"Net Initial Yield"** is calculated as Passing NOI as a percentage of the gross asset value of properties adjusted to exclude the value of building rights as shown in the following table.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017

Passing NOI 3,467 1,374 3,713 1,112 1,111

Gross asset value of properties 81,187 30,776 79,542 25,243 23,001

Building rights/development properties (3,637) (1,343) (2,893) 1,331 1,178

Asset value of properties
excluding building rights/development properties ... 77,550 29,433 76,649 23,912 21,823

Net Initial Yield (%)..... 4.5 4.7 4.8 4.7 5.1

(9) **"Equity Ratio"** is calculated as reported equity as a percentage of total assets.

(10) **"Loan-to-Value Ratio"** represents net interest-bearing liabilities as a percentage of total assets at the end of the period, as shown in the following table. For purposes of these calculations hybrids are treated as 100 percent equity

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017

Liabilities to credit institutions..... 11,707 5,770 25,985 5,910 7,233

Bond loans 32,461 17,883 25,162 6,925 6,601

Commercial paper 3,816 1,728 4,944 1,840 -

Cash and bank (6,065) (8,532) (12,858) (157) (93)

Net debt 41,919 16,799 43,233 14,518 13,742

Total assets 100,240 43,760 104,203 27,641 23,569

Loan-to-Value Ratio (%) 42 38 41 53 58

(11) **"Secured Loan-to-Value Ratio"** represents secured interest-bearing liabilities as a percentage of total assets at the end of the period, as shown in the following table.

	For the nine months ended 30 September		For the year ended 31 December
	2020	2019	2019

Liabilities to credit institutions 11,707 5,770 25,985

Secured bond loans..... 1,052 1,356 1,334

Total secured loans 12,759 7,126 27,319

Total assets 100,240 43,760 104,203

Secured Loan-to-Value Ratio (%) 13 16 26

(12) **"Interest Coverage Ratio"** represents profit from property management for the preceding 12 months after reversal of financial expenses in relation to financial expenses excluding costs for early redemption of loans and land lease fees, as shown in the following table.

	As of 30 September		As of 31 December
	2020	2019	2019

Profit from property management
(rolling 12 months) 1,738 535 645

Interest expense and similar items
(rolling 12 months) 873 504 482

	As of 30 September		As of 31 December
	2020	2019	2019
Expenses for loans redeemed in advance (rolling 12 months)	224	177	197
Translation gains/(losses) (rolling 12 months)	27	(15)	(91)
Land lease expenses (rolling 12 months)	19	4	7
Total	2,881	1,205	1,240
Interest expense and similar items (rolling 12 months)	873	504	482
Interest Coverage Ratio	3.3	2.4	2.6

(13) "Return on Shareholders' Equity" is calculated as net profit for the period as a percentage of average equity during the period, which is the arithmetic mean of opening equity and total equity, as shown in the following table.

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
Net profit for the period.....	5,734	1,337	2,624	1,690	2,429
Opening equity.....	30,896	11,197	11,197	7,636	1,767
Total equity	41,983	15,940	30,896	11,197	7,636
Average equity	36,439	13,569	21,047	9,417	4,701
Return on Shareholders' Equity (%)...	16	10	12	17.9	51.7

9.6 Current earning capacity

In this Offer Document the current earning capacity of SBB is presented as Passing NOI. Presented below is the Passing NOI of SBB, taking in account the property portfolio of SBB as of 30 September 2020. The Passing NOI as of 30 September 2020 is in SBB's opinion not an estimation of the expected result of the SBB Group, but instead only to be considered as a hypothetical picture at a given moment in time, and it is only presented for showing the income and costs on a year-basis, given the property portfolio, financial costs, capital structure and organisation at a given time, and is to be considered together with the other information in the Offer Document. The Passing NOI as of 30 September 2020 has been compiled and prepared in accordance with the accounting principles of SBB and is comparable with the historical financial information of SBB.

Passing NOI as of 30 September 2020	Total*
Passing Rent	4,759
Budgeted annual operating costs	(765)
Budgeted annual maintenance costs	(316)
Management administration costs	(117)
Budgeted property tax expense	(93)
Passing NOI	3,467

* Adjusted for the cash of SBB as of the end of the period with a calculated average interest cost of 1.61%, which constitutes the weighted average of the debt portfolio as of 30 September 2020

The following information constitutes the basis of the calculation of the Passing NOI:

- Contracted rental income on a yearly basis (including supplements and rebates) and other incomes concerning property in relation to valid rental contracts as of 30 September 2020.
- Operating and maintenance costs are based on budget.
- The property tax expense has been calculated on the basis of the properties' tax value as of 30 September 2020.
- Costs for central management has been calculated based on the current organisation.
- Financial costs have been calculated on the basis of contracted interest rates and includes interests on external loans.

10 OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the SBB Group's financial condition and results of operations for the nine months ended 30 September 2020 and 2019, the years ended 31 December 2019, 2018 and 2017, respectively, should be read in conjunction with the Unaudited Interim Financial Statements, the Audited Financial Statements, and the applicable notes thereto included in Section 9 "Selected consolidated financial, operating and other data".

Certain non-IFRS metrics or operating metrics are used in the discussion below. For definitions and reconciliations of these metrics, see Section 9.5 "Non-IFRS financial data and reconciliation tables".

This operating and financial review contains forward-looking statements that reflect the SBB Group's current expectations, estimates, assumption and projections about the SBB Group's industry, business, strategy and future financial results. These forward-looking statements are not guarantees of future performance, and the SBB Group's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in Section 1 "Risk factors" and forward-looking statements in the introductory part of this Offer Document.

10.1 Overview

SBB is a major Nordic social infrastructure property company. The SBB Group owns a property portfolio across Sweden, Norway, Finland and Denmark with a gross asset value of SEK 81.2 billion as of 30 September 2020. The SBB Group generates most of its income from the management of its social infrastructure property portfolio, which includes (i) community service properties, such as elderly care homes, schools and group housing for people with disabilities, in Sweden, Norway, Finland and Denmark and (ii) rent-regulated residential properties in Sweden. The SBB Group also has additional income streams from property renovations, property development activities and real estate transactions. As of 30 September 2020, community service properties and Swedish rent-regulated residential properties accounted for 78 percent and 16 percent of the total portfolio by gross asset value, respectively. The remaining part comprises cash flow properties with development potential to develop building rights for social infrastructure.

SBB actively manages its own real estate portfolio in order to generate sustainable cash flow and create additional value. The SBB Group's business model is to acquire and manage properties that have low-risk profiles and steady risk-adjusted returns. Through its property management function, the SBB Group generates rental income either from publicly financed municipalities and governmental agency tenants (in the case of community service properties) or from residential tenants in rent-regulated apartments who are highly motivated to pay their rent due to the acute shortage of rental housing in Sweden.

In addition to property management, which is the foundation of SBB's earning capacity, the SBB Group generates additional income from value-enhancing capital expenditures on renovations in its rent-regulated residential property portfolio, from property development for social infrastructure building rights, which includes sales of properties and their associated building rights upon rezoning and selective participation in joint ventures, and from real estate transactions in which SBB's experienced team buys and sells properties in order to continue building the SBB Group's portfolio, realise gains from matured properties and recycle capital for use in acquiring attractive new investment properties.

SBB has built strong long-term relationships with a number of Nordic municipalities, becoming a preferred partner for municipalities due to its track record operating in multiple sectors, namely community services and residential sectors, its fully integrated organisational platform and the expertise of its management team across the Nordic region. SBB's experienced team has local market presence in its investment markets as well as expertise to cover each stage of the property value chain from asset management, property management and leasing to investment and divestment, development and structuring, as well as financing. SBB believes that its strong team and in-depth market knowledge enable it to extract full value from its properties and flexibly adapt to, and make use of, dynamic market conditions. The SBB Group believes that the experience of its team, including the long-standing local presence of the team members and the relationships that have been established with private tax-funded welfare providers, municipalities, states and regions in the Nordics, makes SBB unique and would be difficult for a competitor to replicate.

10.2 Key factors affecting the group's results of operations

10.2.1 General economic conditions and demographic developments

SBB's business activities and its results of operations are influenced by a number of general economic and demographic factors that are beyond its control. Given the SBB Group's focus on community service properties in the Nordic region and rent-regulated residential properties in Sweden, SBB is particularly affected by developments in and related to the property market in Sweden and the rest of the Nordic countries, macroeconomic indicators such as gross domestic

product ("**GDP**") and economic growth development, employment conditions and disposable income, inflation, the interest rate environment and housing loans. The factors affect SBB's rental income, the value of its properties and the amounts of its costs. See Section 5.2 "Macroeconomic overview" for more information on the general economic conditions and demographic developments affecting the countries of the SBB Group's operations.

GDP is considered an indicator of a country's general economic condition and the standard of living. During the periods under review, Swedish GDP has increased, driven by robust consumption, investment and exports, with 2.4 percent in 2017, 2.3 percent in 2018 and 1.2 percent in 2019. Employment rates, consumer confidence and actual individual consumption, indexes commonly used to assess a country's economic condition and consumers' level of optimism regarding the economy, have remained relatively positive in Sweden. Furthermore, although there are variances across the region, for example Norway has seen a decline in its economic performance, while the Finnish GDP has developed positively and experienced growth in recent years, the combined economy of the Nordic countries is the 12th largest in the world and Nordic countries are generally performing well above the EU average in regard to economic development.

A functioning labour market with a high participation rate is a key priority for any country, and the production of goods and services is a vital component of the economy. Employment in Sweden has grown steadily, approaching 80 percent in 2018 while unemployment has decreased, falling from 8 percent in 2013 to 6.3 percent in 2018. These rising employment levels have contributed to enhanced levels of wellbeing, reduced poverty, and income inequality that is below the OECD average. The Nordic region as a whole, has sustained high employment rates as compared to the European average as well as a productivity rate per person employed which is also above the EU average. High employment rates for women in particular stand out and remain an essential feature of Nordic labour markets and unemployment remains low in spite of challenges facing the labour market such as utilising the labour potential of migrants as well as country-specific difficulties.

Consumer confidence is an indicator measuring the degree of optimism on the state of the economy that consumers are expressing through their activities of saving and spending. Therefore, consumer confidence is also a measure of general activity in the rental market. Consumer confidence in Sweden was 94.9 percent as of August 2019, and although this is lower than in previous years, it remains higher than that of EU countries (as a whole) and Nordic countries (as a whole). Additionally, actual individual consumption refers to the consumption of goods and services by an individual, irrespective of whether these goods are paid for by households, by the government or by non-profit organisations and is seen as the preferred indicator for a household's actual standard of living. In 2018, Sweden recorded an actual individual consumption per capita that was higher than the EU average indicating a high measure of economic wellbeing.

Demographic developments also have a particular bearing on the demand on the real estate market in the markets in which the SBB Group operates, and thus on the amount of rental apartments which the SBB Group is able to rent as well as the demand for its community service properties. In terms of Swedish demographic developments, the most important trends in recent years for the SBB Group have been population growth in Sweden caused by a positive net birth rate and net migration, a growth in the country's aging population owing to increased life expectancy, as well as continuing rural-to-urban migration. Although there are nuances between and within countries, the Nordic region as a whole mirrors these trends, as on average, the Nordic region has a population that is growing faster than the EU average and its current demographic situation is characterised by population growth, population concentration in urban areas and an increase in the average age of the population while the proportion of young people and those in the working age population has either remained constant or declined. These trends form the basis of the SBB Group's strategy to focus on attractive cities that are currently exhibiting positive population growth and to offer property solutions that respond to the increasing demand for rental properties as well as properties created or adapted to fit specific purposes such as elderly care facilities. Since the formation of the SBB Group, the demographic trends have had a positive effect on the SBB Group's results of operations by increasing the demand for its properties.

Rental income

Rental income constitutes SBB's primary source of current earnings and is impacted by the number of properties and leasable area of the SBB Group's property portfolio as well as the occupancy rate. The following table shows the SBB Group's rental income for the nine months ended 30 September 2020 and 2019, the years ended 31 December 2019, 2018 and 2017 along with the number of properties and leasable area of the SBB Group's property portfolio as well as the occupancy rate as of the end of each period.

In SEK million

	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019	2018	2017
Rental income	3,868	1,400	1,996	1,680	1,339
Number of properties	1,455	842	1,394	570	749
Leasable area of properties (m ² thousands) .	3,820	1,795	4,233	1,330	1,366
Economic Occupancy Rate (%).....	94.5	95.3	94.8	96.2	96.8

As shown in the table above, maintaining a high occupancy rate has allowed SBB to continue to grow rental income period-over-period, while adjusting the size of its property portfolio. The SBB Group's strategy is to maintain high occupancy rates by agreeing long leases without break clauses with municipal and government tenants in community service properties in Sweden, Norway, Finland and Denmark. In the rent-regulated residential properties segment, due to the significant shortage of rent-regulated rental housing supply in Sweden, the SBB Group is able to maintain high occupancy rates in its rent-regulated residential properties, all of which are rent-regulated, and has experienced steady and robust growth despite uncertainty in the global economy. The terms of the SBB Group's leases generally include automatic annual rent increases at a pre-determined rate based on increases in the consumer price index.

Rental income is also dependent on the standard of the SBB Group's properties and therefore SBB continually seeks to implement improvements in its portfolio in order to increase rent levels, including by renovating and refurbishing properties during end of lease vacancy periods. During the nine months ended 30 September 2020, SBB completed the renovation of 437 apartments. A further 80 apartments are currently being renovated and renovation of a further 176 apartments is planned to commence within the next three months. During the years ended 31 December 2019, 2018 and 2017, the SBB Group renovated 562, 415 and 138 apartments, respectively. As of 30 September 2020, approximately 75 percent of the apartments in SBB's property portfolio were assessed to have renovation potential. The SBB Group has set a long-term target of 600 renovations per year in order to capture additional value from its remaining unrenovated rent-regulated residential properties.

In addition, the SBB Group is focused on selective acquisitions of additional community services and rent-regulated residential properties to continue growing the size of its property portfolio and thereby increase rental income. The SBB Group's management has many years of experience of acquiring and managing community service properties with stable, publicly funded tenants as counterparties across the Nordic region and residential properties located in municipalities in Sweden with a growing population and low unemployment.

The SBB Group expects its rental income to continue to increase in future periods reflecting contracted increases in rental rates on existing properties, improved rent associated with renovation projects and an increase in the size of the SBB Group's property portfolio.

Property costs and central administration costs

The SBB Group's property costs, which comprise operating costs, maintenance costs, management administration costs and property tax costs, have increased during the period under review as the size of the property portfolio has grown. Operating costs, which are mainly tariff-based costs, such as electricity, waste removal, water and heating costs, are the largest component of the SBB Group's overall property costs. Weather is a key variable in the amount of operating costs as snow removal and heating costs have historically resulted in operating costs being highest during the first quarter of each year. Maintenance costs include costs that are necessary to keep up the SBB Group's properties for the long term, including both planned and unplanned repairs. Management administration costs include the SBB Group's administrative expenses that are attributable directly to property management, such as for example, rent collection, administration and property maintenance costs, some of which are outsourced to third-party providers and are therefore dependent on the rates that can be obtained in the market. Property tax costs have historically been the smallest component of the SBB Group's property costs because a large proportion of the SBB Group's property portfolio, including most of its community service properties in Sweden, is exempt from property tax. Property tax is applicable on some of the SBB Group's other properties, including rent-regulated residential properties in Sweden and community service properties in Norway, Finland and Denmark.

Central administration costs represent corporate costs that are not directly related to property management, including corporate management costs and costs relating to business development, property development and financing.

The following table shows the SBB Group's costs by type for the nine months ended 30 September 2020 and 2019 and the years ended 31 December 2019, 2018 and 2017, respectively.

In SEK million

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
Operating costs	743	326	471	386	303
Maintenance costs	218	78	115	100	62
Management administration costs	150	68	104	92	74
Property tax costs	88	25	41	31	23
Total property costs	1,199	497	731	610	461
Total central administration costs	173	85	136	102	76
Total costs	1,372	582	867	712	537

Changes in value of property portfolio

In accordance with IFRS, SBB reports investment properties at fair value as of each balance sheet date. Under the SBB Group's valuation policy, 100 percent of its properties are valued as of 30 June and 31 December of each year by external valuers, while the remaining quarters are valued internally. However, for the financial years 2017, 2018 and 2019, as well as for the quarters during the financial year 2020, the SBB Group's properties have all been valued by external valuers for each quarter. Valuations are based on an analysis of future cash flows for each property, considering the current lease terms, market situation, rental levels, operating, maintenance and administration costs as well as need for investments. As of 30 September 2020, the value of the properties also included approximately SEK 3,130 million of building rights that were valued using the local rate method, which means that the valuation is based on comparisons of prices for similar building rights. Reported changes in property value include both unrealised and realised changes in value. The unrealised change in value is calculated based on the valuation at the end of the period compared with the valuation at the beginning of the period. The SBB Group's business of actively working to have zoning plans approved for property development has led to realised and unrealised increases in gross asset values over time as properties in the SBB Group's property development portfolio move through the planning process.

The following table shows changes in fair value for SBB's property portfolio with changes in fair value reflected in the SBB Group's income statement for the nine months ended 30 September 2020 and 2019 and the years ended 31 December 2019, 2018 and 2017, respectively.

In SEK million

	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
Fair value at beginning of the period	79,542	25,243	25,243	23,001	7,572
Acquisitions	6,694	8,864	57,608	3,597	13,470
Investments	1,384	226	650	311	209
Divestments	(10,929)	(5,681)	(6,917)	(3,359)	(729)
Translation gains/losses	(1,340)	478	254	176	(311)
Unrealised value changes	5,836	1,201	2,704	1,517	2,790
Fair value at the end of the period	81,187	30,331	79,542	25,243	23,001

Interest expense

Future changes in interest rates and the SBB Group's ability to obtain financing at attractive rates will impact SBB's overall performance. Over the period under review, the SBB Group's borrowings have increased substantially, reflecting its investments in additional properties. The SBB Group expects to continue to acquire properties pursuant to its growth strategy and will fund a significant portion of these with additional borrowing. As a result, the SBB Group's total indebtedness and its interest expense are expected to increase in the future. However, the SBB Group has been successful in reducing the interest rate on its borrowings during the period under review. This decrease primarily reflected the SBB Group's strong financial performance as well as the SBB Group's efforts to diversify its sources of funding. The SBB Group's average interest rate as of 30 September 2020 was 1.41 percent, as compared to 1.76 percent as of 31 December 2019, 2.44 percent as of 31 December 2018 and 3.36 percent as of 31 December 2017. The reduction in the SBB Group's borrowing costs in recent years are, among other things, corresponded to the receipt of a BBB- (stable) investment grade rating from S&P and a BBB- (stable) investment grade rating from Fitch in April 2019. In November 2020, after the announcement of the intention to acquire Entra, SBB received a BBB- (positive) investment grade rating from Fitch.

SBB is continually in discussions with its finance providers to assess the prospects of refinancing high cost indebtedness at lower rates in order to reduce its overall interest expense, however future rises in market or central bank interest

rates will have the impact of increasing the SBB Group's interest expenses. The SBB Group has also entered into derivatives contracts, including floating to fixed interest rate swaps, consistent with its general policy of swapping its floating rate debt to fixed rates.

10.3 Description of key line items in the group's consolidated income statement

Set forth below is a brief description of the composition of the line items of the SBB Group's statement of comprehensive income.

Rental income

Rental income represents the main source of earnings for the SBB Group. Rental income, including supplements, is announced in advance and accrual of rent is made linearly so that only that part of the rent that applies to the period is reported as rental income. Rental income, where applicable, is reduced by the value of rent discounts provided. In those cases where the lease provides a reduced rent amount for a certain period, this is allocated over the period of the discount. Remuneration paid by tenants in connection with early relocation is reported as rental income in connection with the termination of the SBB Group's contractual relationship with the tenant.

Net property costs

Net property costs represent the sum of operating costs, maintenance costs, management administration costs and property tax costs. Operating costs are mainly tariff-based costs, such as electricity, waste removal, water and heating costs and also include snow removal, which results in seasonal variations. Maintenance costs include costs that are necessary to maintain the SBB Group's properties for the long term. The SBB Group's administrative expenses directly related to property management, are allocated to management administration costs. Although a large proportion of the SBB Group's property portfolio is exempt from property tax in Sweden because it is community services property, property tax is applicable on certain of the SBB Group's other properties, including rent-regulated residential properties in Sweden and community service properties in Norway, Finland and Denmark.

Net operating income

Net operating income represents rental income less net property costs.

Central administration costs

Central administration costs represent corporate costs that are not directly related to property management, including corporate management costs and costs relating to business development, property development and financing.

Results from associated companies/joint ventures

Results from associated companies/joint ventures represents the SBB Group's share of the assets of associated companies and joint ventures in which it has an ownership interest and, in some cases, provides financing of the associated or joint venture company. An associated company is one in which the SBB Group exercises a significant but not controlling influence, which is presumed to be the case when the SBB Group's holding amounts to 20-50 percent of the voting interest. Collaborative arrangements in which the SBB Group, together with other parties, has a joint controlling influence over the business are classified as joint ventures. The SBB Group's associated companies and joint venture partners manage property development projects or own, manage and develop investment properties. Additional information on the SBB Group's associated companies and joint ventures as of 31 December 2019, including holdings in the co-investment joint ventures Valerum Fastighets AB (the "**Valerum JV**") and KlaraBo Förvaltning AB (the "**KlaraBo JV**") that are considered significant holdings for the SBB Group, is included in note 16 to the 2019 Audited Financial Statement.

Profit before financial items

Profit before financial items represents net operating income plus results from associated companies/joint ventures less central administration costs.

Net financial items

Net financial items represent interest income and similar items plus foreign exchange gains, less interest expenses and similar items, expenses for loans redeemed early, foreign exchange losses and land lease expenses.

Changes in property value

In accordance with IFRS, SBB reports investment properties at fair value as of each balance sheet date. Under the SBB Group's valuation policy, all its properties are valued as of 30 September and 31 December of each year by external valuers, while the remaining quarters are valued internally. However, for the financial years 2017, 2018 and 2019, as

well as for the quarters during the financial year 2020, the SBB Group's properties have all been valued by external valuers for each quarter. Valuations are based on an analysis of future cash flows for each property, considering the current lease terms, market situation, rental levels, operating, maintenance and administration costs as well as need for investments. As of 30 September 2020, the value of the properties also included approximately SEK 3,130 million of building rights that were valued using the local rate method, which means that the valuation is based on comparisons of prices for similar building rights. Reported changes in property value include both unrealised and realised changes in value. The unrealised change in value is calculated based on the valuation at the end of the period compared with the valuation at the beginning of the period.

Changes in derivatives value

The SBB Group has entered into derivatives contracts, including floating to fixed interest rate swaps and currency forwards in order to hedge its interest rate risk and currency risk, respectively. The SBB Group's derivatives contracts are generally not eligible for hedge accounting under IFRS and accordingly changes are accounted for at fair value in the SBB Group's income statement. Changes in derivatives value represents the difference in the fair value of interest rate swaps based on a discount of estimated future cash flows according to the contracts and maturities and based on market interest rate at the end of the period compared to the fair value at the beginning of the period.

Profit before tax

Profit before tax represents the sum of profit before financial items, net changes in property value and net changes in derivatives value.

Tax

Tax represents current taxes and deferred taxes relating to properties and loss carry-forwards. As a result of new Swedish corporate income tax rules that became applicable as of 1 January 2019, deferred tax was revalued to 20.6 percent for 2018. The new law reduces the corporate income tax rate in two steps, from 22.0 percent to 21.4 percent from 1 January 2019 and to 20.6 percent from 1 January 2021. Deferred tax assets and deferred tax liabilities must be measured based on the tax rate that will apply when the underlying temporary difference reverses or when unused tax losses or credits are utilised. Accordingly, SBB has calculated deferred tax liabilities at 20.6 percent as they are not expected to be reversed to any significant extent in 2019 and 2020.

Net profit for the period

Net profit for the period represents the sum of profit before tax and tax.

10.4 Results of operations

The following table summarizes the SBB Group's results of operations for the nine months ended 30 September 2020 and 2019 and the years ended 31 December 2019, 2018 and 2017, respectively.

In SEK million

	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019 (audited)	2018 (audited)	2017 (audited)
Rental income	3,868	1,400	1,996	1,680	1,339
Operating costs.....	(743)	(326)	(471)	(386)	(303)
Maintenance	(218)	(78)	(115)	(100)	(62)
Management administration.....	(150)	(68)	(104)	(92)	(74)
Property tax.....	(88)	(25)	(41)	(31)	(23)
Net property costs	(1,199)	(497)	(731)	(610)	(462)
Net operating income	2,669	903	1,265	1,071	877
Central administration.....	(173)	(85)	(136)	(102)	(76)
Acquisition and restructuring costs	(49)	-	(83)	-	-
Results from associated companies/joint ventures ...	42	57	92	13	-
Profit before financial items	2,489	875	1,138	982	801
Interest income and similar items.....	102	75	102	4	12
Interest expenses and similar items.....	(716)	(325)	(482)	(538)	(476)
Expenses for redeemed loans in advance.....	(157)	(130)	(197)	(127)	-
Translation gains/losses	(103)	15	91	-	-

In SEK million

	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019 (audited)	2018 (audited)	2017 (audited)
Land lease expenses	(14)	(2)	(7)	-	-
Net financial items	(888)	(367)	(493)	(661)	(464)
Profit from property management	1,601	508	645	321	338
Changes in property value	5,248	1,136	2,453	1,575	2,797
Dissolution of goodwill after property sales	(439)	-	-	-	-
Changes in derivatives value	(268)	(118)	39	8	(4)
Profit before tax	6,142	1,526	3,137	1,904	3,131
Tax	(408)	(189)	(513)	(214)	-702
Net profit for the period	5,734	1,337	2,624	1,690	2,429

10.5 Results of operations for the nine months ended 30 September 2020 compared to the nine months ended 30 September 2019

The following table shows the SBB Group's consolidated income statement for the nine months ended 30 September 2020 and 30 September 2019 and shows the amount of the change and the percentage change in each of the components of the SBB Group's consolidated income statement between these two periods.

In SEK million

	For the nine months ended 30 September		Change	
	2020 (unaudited)	2019 (unaudited)	(amount)	(%)
Rental income	3,868	1,400	2,468	176
Operating costs	(743)	(326)	(417)	128
Maintenance	(218)	(78)	(140)	179
Management administration	(150)	(68)	(82)	121
Property tax	(88)	(25)	(63)	252
Net property costs	(1,199)	(497)	(702)	141
Net operating income	2,669	903	1,766	196
Central administration	(173)	(85)	(88)	104
Acquisition and restructuring costs	(49)	-	(49)	-
Results from associated companies/joint ventures	42	57	(15)	(26)
Profit before financial items	2,489	875	1,614	184
Interest income and similar items	102	75	27	36
Interest expenses and similar items	(716)	(325)	(391)	120
Expenses for redeemed loans in advance	(157)	(130)	(27)	21
Translation gains/losses	(103)	15	(118)	(787)
Land lease expenses	(14)	(2)	(12)	600
Net financial items	(888)	(367)	(521)	142
Profit from property management	1,601	508	1,093	215
Changes in property value	5,248	1,136	4,112	362
Dissolution of goodwill after property sales	(439)	-	(439)	-
Changes in derivatives value	(268)	(118)	(150)	127
Profit before tax	6,142	1,526	4,616	302
Tax	(408)	(189)	(219)	116
Net profit for the period	5,734	1,337	4,397	329

Rental income

Rental income for the nine months ended 30 September 2020 was SEK 3,868 million, an increase of SEK 2,468 million, or 176 percent, compared to SEK 400 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's property portfolio, primarily reflected by acquisition, investments and signed agreements which resulted in an increased average rent per square metre. Leasable area was 3,820 thousand square metres covering 1,455 properties as of 30 September 2020 compared to 1,795 square metres covering 842 properties as of 30 September 2019. The Economic Occupancy Rate as of 30 September 2020 was 94.5 percent, compared to 95.3 percent as of 30 September 2019. Passing Rent was SEK 5,038 million as of 30 September 2020, compared to SEK 2,101 million as of 30 September 2019.

Rental income in the community service properties segment accounted for 77.7 percent of the SBB Group's total rental income for the nine months ended 30 September 2020. Rental income in this segment for the nine months ended 30 September 2020 was SEK 3,007 million, an increase of SEK 2,208 million, or 276 percent, compared to SEK 799 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's acquisitions, investments and newly signed leases in the community service properties segment and the fact that a number of properties were acquired during that period.

Rental income in the rent-regulated residential properties segment accounted for 16.7 percent of the SBB Group's total rental income for the nine months ended 30 September 2020. Rental income in this segment for the nine months ended 30 September 2020 was SEK 645 million, an increase of SEK 132 million, or 26.0 percent, compared to SEK 513 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's acquisitions, investments and signed leases within the community service properties segment and the fact that a number of properties were acquired during that period.

Rental income in the SBB Group's other segment accounted for 5.6 percent of the SBB Group's total rental income for the nine months ended 30 September 2020. Rental income in this segment for the nine months ended 30 September 2020 was SEK 216 million, an increase of SEK 128 million, or 145 percent, compared to SEK 88 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's acquisitions.

Net property costs

Net property costs for the nine months ended 30 September 2020 were SEK 1,199 million, an increase of SEK 702 million, or 141 percent, compared to SEK 497 million for the nine months ended 30 September 2019. This was principally a result of a larger property portfolio.

Net operating income

As a result of the factors described above, net operating income for the nine months ended 30 September 2020 increased by SEK 1,766 million, or 196 percent, from SEK 903 million for the nine months ended 30 September 2019 to SEK 2,669 million for the nine months ended 30 September 2020. Net Operating Margin for the nine months ended 30 September 2020 was 69.0 percent, compared to 64.5 percent for the nine months ended 30 September 2019.

Central administration

Central administration costs for the nine months ended 30 September 2020 were SEK 173 million, an increase of SEK 88 million, or 104 percent, compared to SEK 85 million for the nine months ended 30 September 2019. This was principally a result of a larger property portfolio.

Results from associated companies/joint ventures

The SBB Group's share of profit from associated companies/joint ventures for the nine months ended 30 September 2020 was SEK 42 million, compared to SEK 57 million for the nine months ended 30 September 2019, a decrease of SEK 15 million or 26 percent. The result is principally attributable to the companies Valerum Fastighets AB, KlaraBo Förvaltning AB and Offentlig Eiendom AS.

Net financial items

Net financial items for the nine months ended 30 September 2020 was an expense of SEK 888 million, an increase of SEK 521 million, or 142 percent, compared to an expense of SEK 367 million for the nine months ended 30 September 2019. This was principally a result of the growth of the loan portfolio, due to the company's increased investments/acquisitions in/of properties.

Changes in property value

The change in value of the SBB Group's property for the nine months ended 30 September 2020 was a net increase of SEK 5,248 million, compared to a net increase of SEK 1,136 million for the nine months ended 30 September 2019. The net increase for the nine months ended 30 September 2020 primarily reflected the SBB Group's higher net operating income and newly signed leases.

Changes in derivatives value

The change in value of derivatives for the nine months ended 30 September 2020 was a net decrease of SEK 268 million, compared to a net decrease of SEK 118 million for the nine months ended 30 September 2019. The net decrease for the nine months ended 30 September 2020 primarily reflected changes in interest rates and movements in foreign exchange rates.

Profit before tax

As a result of the factors described above, profit before tax for the nine months ended 30 September 2020 increased by SEK 4,616 million, or 302 percent, from SEK 1,526 million for the nine months ended 30 September 2019 to SEK 6,142 million for the nine months ended 30 September 2020. As a result of the acquisition of Hemfosa, SBB had non-recurring costs during the period. The acquisition costs and restructuring costs amounted to a total of SEK 49 million as of 30 September 2020.

Tax

Tax for the nine months ended 30 September 2020 was SEK 408 million, an increase of SEK 219 million, or 116 percent, compared to SEK 189 million for the nine months ended 30 September 2019. Tax loss carry-forwards amounted to SEK 3,900 million as of 30 September 2020. The SBB Group's effective tax rate for the period was 7 percent, which differed from the corporate tax rate of 21.4 percent principally as a result of deferred tax related to disposals.

Net profit for the period

As a result of the factors described above, net profit for the period increased by SEK 4,397 million, or 329 percent, to SEK 5,734 million for the nine months ended 30 September 2020 compared to SEK 1,337 million for the nine months ended 30 September 2019.

Rental income

Rental income for the nine months ended 30 September 2020 was SEK 3,868 million, an increase of SEK 2,468 million, or 176 percent, compared to SEK 400 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's property portfolio, primarily reflected by acquisition, investments and signed agreements which resulted in an increased average rent per square metre. Leasable area was 3,820 thousand square metres covering 1,455 properties as of 30 September 2020 compared to 1,795 square metres covering 842 properties as of 30 September 2019. The Economic Occupancy Rate as of 30 September 2020 was 94.5 percent, compared to 95.3 percent as of 30 September 2019. Passing Rent was SEK 5,038 million as of 30 September 2020, compared to SEK 2,101 million as of 30 September 2019.

Rental income in the community service properties segment accounted for 77.7 percent of the SBB Group's total rental income for the nine months ended 30 September 2020. Rental income in this segment for the nine months ended 30 September 2020 was SEK 3,007 million, an increase of SEK 2,208 million, or 276 percent, compared to SEK 799 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's acquisitions, investments and newly signed leases in the community service properties segment and the fact that a number of properties were acquired during that period.

Rental income in the rent-regulated residential properties segment accounted for 16.7 percent of the SBB Group's total rental income for the nine months ended 30 September 2020. Rental income in this segment for the nine months ended 30 September 2020 was SEK 645 million, an increase of SEK 132 million, or 26.0 percent, compared to SEK 513 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's acquisitions, investments and signed leases within the community service properties segment and the fact that a number of properties were acquired during that period.

Rental income in the SBB Group's other segment accounted for 5.6 percent of the SBB Group's total rental income for the nine months ended 30 September 2020. Rental income in this segment for the nine months ended 30 September 2020 was SEK 216 million, an increase of SEK 128 million, or 145 percent, compared to SEK 88 million for the nine months ended 30 September 2019. This was principally a result of the SBB Group's acquisitions.

Net property costs

Net property costs for the nine months ended 30 September 2020 were SEK 1,199 million, an increase of SEK 702 million, or 141 percent, compared to SEK 497 million for the nine months ended 30 September 2019. This was principally a result of a larger property portfolio.

Net operating income

As a result of the factors described above, net operating income for the nine months ended 30 September 2020 increased by SEK 1,766 million, or 196 percent, from SEK 903 million for the nine months ended 30 September 2019 to SEK 2,669 million for the nine months ended 30 September 2020. Net Operating Margin for the nine months ended 30 September 2020 was 69.0 percent, compared to 64.5 percent for the nine months ended 30 September 2019.

Central administration

Central administration costs for the nine months ended 30 September 2020 were SEK 173 million, an increase of SEK 88 million, or 104 percent, compared to SEK 85 million for the nine months ended 30 September 2019. This was principally a result of a larger property portfolio.

Results from associated companies/joint ventures

The SBB Group's share of profit from associated companies/joint ventures for the nine months ended 30 September 2020 was SEK 42 million, compared to SEK 57 million for the nine months ended 30 September 2019, a decrease of SEK 15 million or 26 percent. The result is principally attributable to the companies Valerum Fastighets AB, KlaraBo Förvaltning AB and Offentlig Eiendom AS.

Net financial items

Net financial items for the nine months ended 30 September 2020 was an expense of SEK 888 million, an increase of SEK 521 million, or 142 percent, compared to an expense of SEK 367 million for the nine months ended 30 September 2019. This was principally a result of the growth of the loan portfolio, due to the company's increased investments/acquisitions in/of properties.

Changes in property value

The change in value of the SBB Group's property for the nine months ended 30 September 2020 was a net increase of SEK 5,248 million, compared to a net increase of SEK 1,136 million for the nine months ended 30 September 2019. The net increase for the nine months ended 30 September 2020 primarily reflected the SBB Group's higher net operating income and newly signed leases.

Changes in derivatives value

The change in value of derivatives for the nine months ended 30 September 2020 was a net decrease of SEK 268 million, compared to a net decrease of SEK 118 million for the nine months ended 30 September 2019. The net decrease for the nine months ended 30 September 2020 primarily reflected changes in interest rates and movements in foreign exchange rates.

Profit before tax

As a result of the factors described above, profit before tax for the nine months ended 30 September 2020 increased by SEK 4,616 million, or 302 percent, from SEK 1,526 million for the nine months ended 30 September 2019 to SEK 6,142 million for the nine months ended 30 September 2020. As a result of the acquisition of Hemfosa, SBB had non-recurring costs during the period. The acquisition costs and restructuring costs amounted to a total of SEK 49 million as of 30 September 2020.

Tax

Tax for the nine months ended 30 September 2020 was SEK 408 million, an increase of SEK 219 million, or 116 percent, compared to SEK 189 million for the nine months ended 30 September 2019. Tax loss carry-forwards amounted to SEK 3,900 million as of 30 September 2020. The SBB Group's effective tax rate for the period was 7 percent, which differed from the corporate tax rate of 21.4 percent principally as a result of deferred tax related to disposals.

Net profit for the period

As a result of the factors described above, net profit for the period increased by SEK 4,397 million, or 329 percent, to SEK 5,734 million for the nine months ended 30 September 2020 compared to SEK 1,337 million for the nine months ended 30 September 2019.

The following table shows the SBB Group's consolidated income statement for the years ended 31 December 2019 and 31 December 2018 and shows the amount of the change and the percentage change in each of the components of the SBB Group's consolidated income statement between these two periods.

In SEK million

	For the year ended 31 December		Change	
	2019	2018	(amount)	(%)
Rental income	1,996	1,680	316	19
Operating costs	(471)	(387)	(84)	22
Maintenance	(115)	(100)	(15)	15
Management administration.....	(104)	(92)	(12)	13

In SEK million

	For the year ended 31 December		Change	
	2019	2018	(amount)	(%)
Property tax.....	(41)	(32)	(9)	28
Net property costs	(731)	(611)	(120)	20
Net operating income	1,265	1,071	194	18
Central administration.....	(136)	(102)	(34)	33
Acquisition and restructuring costs	(83)	0	(41)	-
Results from associated companies/joint ventures	92	0	(92)	-
Profit before financial items	1,138	969	169	17
Interest income and similar items.....	102	4	98	2,450
Interest expenses and similar items.....	(482)	(538)	56	(10)
Expenses for redeemed loans in advance.....	(197)	(127)	(70)	55
Translation gains/losses	91	-	91	-
Leasing costs	(7)	-	(7)	-
Net financial items	(493)	(661)	168	25
Profit from property management	645	321	324	101
Changes in property value.....	2,453	1,575	878	56
Changes in derivatives value.....	39	8	31	388
Profit before tax	3,137	1,904	1,562	82
Tax.....	(513)	(214)	299	140
Net profit for the period	2,624	1,690	934	55

Rental income

Rental income for the year ended 31 December 2019 was SEK 1,996 million, an increase of SEK 316 million, or 19 percent, compared to SEK 1,680 million for the year ended 31 December 2018. This was principally a result of a larger property portfolio. Leasable area was 4,233,000 square metres covering 1,394 properties as of 31 December 2019 compared to 1,330,000 square metres covering 570 properties as of 31 December 2018. The Economic Occupancy Rate as of 31 December 2019 was 94.8 percent, compared to 96.2 percent as of 31 December 2018. Current rental value amounted to SEK 5,217 million as of 31 December 2019 compared to SEK 1,585 million as of 31 December 2018. Rental income in the community service properties segment accounted for 58.5 percent of the SBB Group's total rental income for the year ended 31 December 2019. Rental income in this segment for the year ended 31 December 2019 was SEK 1,168 million, an increase of SEK 186 million, or 18.9 percent, compared to SEK 982 million for the year ended 31 December 2018. This was principally a result of a larger property portfolio.

Rental income in the rent-regulated residential properties segment accounted for 35.4 percent of the SBB Group's total rental income for the year ended 31 December 2019. Rental income in this segment for the year ended 31 December 2019 was SEK 707 million, an increase of SEK 142 million, or 25.1 percent, compared to SEK 565 million for the year ended 31 December 2018. This was principally a result of a larger property portfolio.

Rental income in the SBB Group's other segment accounted for 6.1 percent of the SBB Group's total rental income for the year ended 31 December 2019. Rental income in this segment for the year ended 31 December 2019 was SEK 121 million, a decrease of SEK 8 million, or 6.0 percent, compared to SEK 133 million for the year ended 31 December 2018. This was principally a result of a smaller property portfolio.

Net property costs

Net property costs for the year ended 31 December 2019 were SEK 731 million, an increase of SEK 120 million, or 20.0 percent, compared to SEK 611 million for the year ended 31 December 2018. This was principally a result of a larger property portfolio.

Net operating income

As a result of the factors described above, net operating income for the year ended 31 December 2019 increased 18 percent, or SEK 194 million, from SEK 1,071 million for the year ended 31 December 2018 to SEK 1,265 million for the year ended 31 December 2019. Net Operating Margin for the year ended 31 December 2019 was 63.0 percent, compared to 64 percent for the year ended 31 December 2018.

Central administration

Central administration costs for the year ended 31 December 2019 were SEK 136 million, an increase of SEK 34 million, or 33 percent, compared to SEK 102 million for the year ended 31 December 2018. This was principally a result of a larger property portfolio.

Results from associated companies/joint ventures

The SBB Group's share of profit from associated companies/joint ventures for the year ended 31 December 2019 was SEK 92 million, compared to SEK 13 million for the year ended 31 December 2018. This was principally a result of income received from Valerum Fastighets AB and KlaraBo Förvaltning AB.

Net financial items

Net finance expense for the year ended 31 December 2019 was SEK 493 million, a decrease of SEK 168 million, or 25.0 percent, compared to SEK 661 million for the year ended 31 December 2018. This was principally a result of lower interest expenses.

Changes in property value

The change in value of the SBB Group's properties for the year ended 31 December 2019 was a net increase of SEK 2,453 million, compared to a net increase of SEK 1,575 million for the year ended 31 December 2018. The net increase for the year ended 31 December 2019 was principally a result of the changes in value referring to a larger property portfolio.

Changes in derivatives value

The change in value of derivatives for the year ended 31 December 2019 was a net increase of SEK 39 million, compared to a net increase of SEK 8 million for the year ended 31 December 2018. The net increase for the year ended 31 December 2019 primarily reflected changes in interest rates and movements in foreign exchange rates.

Profit before tax

As a result of the factors described above, profit before tax for the year ended 31 December 2019 increased 65 percent, or SEK 1,233 million, from SEK 1,904 million for the year ended 31 December 2018 to SEK 3,137 million for the year ended 31 December 2019.

Tax

Tax for the year ended 31 December 2019 was SEK -513 million, an increase of SEK 299 million, or 140 percent, compared to SEK -214 million for the year ended 31 December 2018. The loss carryforwards amounted to approximately SEK 3,900 million as of 31 December 2019. The SBB Group's effective tax rate for the period was 16.0 percent, which differed from the corporate tax rate of 21.4 percent primarily as a result of deferred tax related to disposals.

Net profit for the period

As a result of the factors described above, net profit for the period increased 56.0 percent, or SEK 934 million, to SEK 2,624 million for the year ended 31 December 2019 compared to SEK 1,690 million for the year ended 31 December 2018.

10.6 Results of operations for the year ended 31 December 2018 compared to the period 31 December 2017

The following table shows the SBB Group's consolidated income statement for the year ended 31 December 2018 and 31 December 2017 and shows the amount of the change and the percentage change in each of the components of the consolidated income statement between these two periods.

In SEK million

	For the year ended 31 December		Change	
	2018	2017	(amount)	(%)
Rental income	1,680	1,339	341	25.5
Operating costs.....	(387)	(303)	(84)	27.7
Maintenance.....	(100)	(63)	(37)	58.7
Management administration.....	(92)	(74)	(18)	24.3
Property tax.....	(32)	(23)	(9)	39.1
Net property costs	(610)	(462)	(148)	32.0
Net operating income	1,071	877	194	22.1

In SEK million

	For the year ended 31 December		Change	
	2018	2017	(amount)	(%)
Central administration.....	(102)	(76)	(26)	34.2
Profit before financial items	13.0	-	13	-
Interest income and similar items.....	982	801	181	22.6
Interest expenses and similar items.....	4	12	(8)	(66.7)
Net financial items	(538)	(476)	(62)	13.0
Profit from property management.....	(127)	-	(127)	-
Changes in property value.....	(661)	(464)	(197)	42.5
Changes in derivatives value.....	321	338	(17)	(5)
Profit before tax	1,575	2,797	(1,222)	(43.7)
Tax.....	8	(4)	12	-
Net profit for the period	1,904	3,131	(1,227)	(39.2)

Rental income

Rental income for the year ended 31 December 2018 was SEK 1,680 million, an increase of SEK 341 million, or 25.5 percent, compared to SEK 1,339 million for the year ended 31 December 2017. This was principally as a result of changes to the SBB Group's property portfolio as a result of acquisitions, investments and newly signed leases that resulted in increases to the average rent per square metre. Leasable area decreased slightly to 1,330,000 square metres as of 31 December 2018 from 1,366,000 square metres as of 31 December 2017 and the SBB Group's number of properties decreased from 749 to 570 during the year, in each case a result of sales that took place late in 2018. The Economic Occupancy Rate as of 31 December 2018 was 96.2 percent, compared to 96.8 percent as of 31 December 2017. Passing Rent decreased slightly to SEK 1,585 million as of 31 December 2018 from SEK 1,588 million as of 31 December 2017.

Rental income in the community service properties segment accounted for 58.5 percent of the SBB Group's total rental income for the year ended 31 December 2018. Rental income in this segment for the year ended 31 December 2018 was SEK 983 million, an increase of SEK 242 million, or 32.7 percent, compared to SEK 741 million for the year ended 31 December 2017. This was principally as a result of acquisitions, investments and newly signed leases in the community service properties segment and the fact that a number of properties were acquired during 2017.

Rental income in the rent-regulated residential properties segment accounted for 33.6 percent of the SBB Group's total rental income for the year ended 31 December 2018. Rental income in this segment for the year ended 31 December 2018 was SEK 565 million, an increase of SEK 91 million, or 19.2 percent, compared to SEK 474 million for the year ended 31 December 2017. This was principally as a result of acquisitions, investments and renovations in the rent-regulated residential properties segment and the fact that a number of properties were acquired during 2017.

Rental income in the SBB Group's other segment accounted for 7.9 percent of the SBB Group's total rental income for the year ended 31 December 2018. Rental income in this segment for the year ended 31 December 2018 was SEK 133 million, an increase of SEK 9 million, or 7.3 percent, compared to SEK 124 million for the year ended 31 December 2017. This was principally as a result of the SBB Group's acquisitions.

Net property costs

Net property costs for the year ended 31 December 2018 were SEK 610 million, an increase of SEK 148 million, or 32.0 percent, compared to SEK 462 million for the year ended 31 December 2017. This was principally as a result of the SBB Group's larger property portfolio and to a lesser extent higher operating costs for heating, electricity and snow removal due to a particularly cold and long winter, including additional expenses resulting the large volume of snow for four months of the year.

Net operating income

As a result of the factors described above, net operating income for the year ended 31 December 2018 increased 22.1 percent, or SEK 194 million, from SEK 877 million for the year ended 31 December 2017 to SEK 1,071 million for the year ended 31 December 2018. Net Operating Margin for the year ended 31 December 2018 was 63.7 percent, compared to 65.5 percent for the year ended 31 December 2017.

Central administration

Central administration costs for the year ended 31 December 2018 were SEK 102 million, an increase of SEK 26 million, or 34.2 percent, compared to SEK 76 million for the year ended 31 December 2017. This was principally as a result of the increased organisational size of the SBB Group and non-recurring costs in December 2018 of SEK 20 million.

Results from associated companies/joint ventures

The SBB Group's share of profit from associated companies/joint ventures for the year ended 31 December 2018 was SEK 13 million, compared to nil for the year ended 31 December 2017. This was principally as a result of income received from arrangements with new joint ventures that began during the year ended 31 December 2018, including the Valerum JV and the KlaraBo JV.

Net financial items

Net finance expense for the year ended 31 December 2018 was SEK 661 million, an increase of SEK 197 million, or 42.5 percent, compared to SEK 464 million for the year ended 31 December 2017. This was principally as a result of increased indebtedness as well as an increase in non-recurring fees and expenses related to debt refinancing, including early repayment of indebtedness and other financing expenses such as arrangement fees. These increases were partially offset by a reduction in the SBB Group's average interest rate from 3.36 percent as of 31 December 2017 to 2.44 percent as of 31 December 2018.

Changes in property value

The change in value of the SBB Group's property for the year ended 31 December 2018 was a net increase of SEK 1,575 million, compared to a net increase of SEK 2,797 million for the year ended 31 December 2017. The value changes included realised value changes of SEK 58 million. The unrealised changes in value of SEK 1,517 million consist in part of value generated from the SBB Group's property development activities of SEK 177 million. Changes in value relating to acquisitions during the year amounted to SEK 519 million. The remaining portion of the value changes is explained by increased net operating income as a result of investments and leases in the property portfolio, as well as a reduced yield requirement. As of 31 December 2018, the average yield was 4.8 percent excluding SEK 1,331 million of building rights.

Changes in derivatives value

The change in value of derivatives for the year ended 31 December 2018 was a net increase of SEK 8 million, compared to a net decrease of SEK 4 million for the year ended 31 December 2017. The net increase in the value of derivatives for the year ended 31 December 2018 primarily reflected changes in interest rates and movements in foreign exchange rates.

Profit before tax

As a result of the factors described above, profit before tax for the year ended 31 December 2018 decreased 39.2 percent, or SEK 1,227 million, from SEK 3,131 million for the year ended 31 December 2017 to SEK 1,904 million for the year ended 31 December 2018.

Tax

Tax for the year ended 31 December 2018 was SEK 214 million, a decrease of SEK 488 million, or 69.5 percent, compared to SEK 702 million for the year ended 31 December 2017. The decrease reflects decreases in current tax reflecting the lower profit before tax for the year as well as lower deferred taxes. The lower deferred taxes principally resulted from the application of the lower 20.6 percent corporate tax rate resulting from tax law changes in the year ended 31 December 2018. The SBB Group's effective tax rate for the period was 11.0 percent, which differed from the corporate tax rate of 22.0 percent primarily as a result of deferred tax related to disposals.

Net profit for the period

As a result of the factors described above, net profit for the period decreased 30.4 percent, or SEK -739 million, to SEK 1,690 million for the year ended 31 December 2018 compared to SEK 2,429 million for the year ended 31 December 2017.

10.7 Operating segments

SBB's rental income, net property costs and changes in property value are allocated to the SBB Group's three operating segments and the gross asset value of the property portfolio corresponding to each operating segment is also separately determined.

Rental income per operating segment

<i>In SEK million</i>	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019	2018	2017
Community service properties	3,007	799	1,168	982	741
Rent-regulated residentials	645	513	707	565	473
Other	216	88	121	133	124
Total	3,868	1,400	1,996	1,680	1,339

Community service properties

The following table shows the SBB Group's rental income, property costs, net operating income and changes in property value in the community service properties segment for the nine months ended 30 September 2020 and 2019, the years ended 31 December 2019, 2018 and 2017, as well as the gross asset value of the community service properties portfolio as of the end of each period.

<i>In SEK million</i>	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019	2018	2017
Rental income	3,007	799	1,168	982	741
Net property costs	(775)	(198)	(298)	(239)	(158)
Net operating income	2,232	601	870	744	583
Changes in property value	4,683	526	1,143	681	1,541
Gross asset value of properties	63,430	18,337	61,547	16,435	14,583

Rent-regulated residential properties

The following table shows the SBB Group's rental income, property costs, net operating income and changes in property value in the rent-regulated residential properties segment for the nine months ended 30 September 2020 and 2019, the years ended 31 December 2019, 2018 and 2017, as well as the gross asset value of the rent-regulated residential property portfolio as of the end of each period.

<i>In SEK million</i>	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019	2018	2017
Rental income	645	513	707	565	473
Net property costs	(322)	(255)	(372)	(294)	(241)
Net operating income	323	258	335	271	233
Changes in property value	495	588	1,188	834	699
Gross asset value of properties	12,692	10,335	13,230	6,720	5,859

Other

The following table shows the SBB Group's rental income, property costs, net operating income and changes in property value in the SBB Group's other segment for the nine months ended 30 September 2020 and 2019, the years ended 31 December 2019, 2018 and 2017, as well as the gross asset value of the property development portfolio as of the end of each period.

<i>In SEK million</i>	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019	2018	2017
Rental income	216	88	121	133	124
Net property costs	(102)	(44)	(61)	(77)	(62)
Net operating income	114	44	60	56	62
Changes in property value	70	22	122	60	558

<i>In SEK million</i>	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(<i>unaudited</i>)	(<i>unaudited</i>)			
Gross asset value of properties	5,065	2,103	4,765	2,088	2,559

10.8 Liquidity and capital resources

The SBB Group's liquidity requirements arise primarily from the need to fund its acquisitions of properties and property companies, to fund its capital expenditures relating to its existing property portfolio and to fund its working capital requirements, as well as to make interest and principal payments on its indebtedness. The SBB Group's principal sources of liquidity have historically been its cash flow from operating activities, borrowings under its banking facilities and bonds, including perpetual bonds, and equity contributions from its shareholders.

The SBB Group's ability to generate cash flow from operating activities will depend on its future operating performance, which in turn will be dependent on various factors, including, but not limited to, those described under "—Key factors affecting the SBB Group's results of operations", some of which are beyond the SBB Group's control. The SBB Group's actual financing requirements will depend on numerous factors, including general economic conditions, the availability of financing from banks, other financial institutions and capital markets, restrictions in its financing documents and its financial performance.

Historical cash flows

The following table summarizes the SBB Group's cash flow for the nine months ended 30 September 2020 and 2019, the years ended 31 December 2019, 2018 and 2017, respectively.

<i>In SEK million</i>	For the nine months ended 30 September		For the year ended 31 December		
	2020	2019	2019	2018	2017
	(<i>unaudited</i>)	(<i>unaudited</i>)			
Cash and cash equivalents at the beginning of the period	12,858	157	157	93	506
Net cash from operating activities before changes in working capital	1,590	450	745	248	360
Net cash from/(used in) from changes in working capital	(9,810)	37	8,799	(408)	150
Net cash from/(used in) operating activities	(8,220)	487	9,544	(161)	510
Net cash used in investing activities	1,748	(5,923)	(57,638)	(2,249)	(12,973)
Net cash from financing activities	(316)	13,808	60,796	2,473	12,049
Net cash flows for the period	(6,788)	8,372	12,702	64	(414)
Net foreign exchange difference	(5)	3	(1)	(0)	(0)
Net increase/(decrease) in cash and cash equivalents	(6,793)	8,375	12,701	64	(414)
Cash and cash equivalents at the end of the period	6,065	8,532	12,858	157	93

Cash flows from/(used in) operating activities

SBB's net cash flows from/(used in) operating activities comprise the SBB Group's cash flow from its property management activities adjusted for depreciation, net financial items, net interest and income tax paid, and net of the movements in working capital.

Net cash inflows from operating activities for the nine months ended 30 September 2020 were SEK 8,220 million, compared to net cash outflows used in operating activities of SEK 487 million for the nine months ended 30 September 2019.

The net cash flow from operating activities for the full year ended 31 December 2019 was SEK 9,544 million compared to SEK 248 million for the net cash flow to operating activities for the year ended 31 December 2018.

Net cash outflows used in operating activities for the year ended 31 December 2018 were SEK 161 million, compared to net cash inflows from operating activities of SEK 510 million for the year ended 31 December 2017. The net decrease in

cash from operating activities before changes in working capital for the year ended 31 December 2018 was compounded by a reduction in working capital for the period.

Cash flows used in investing activities

Net cash outflows used in investing activities for the nine months ended 30 September 2020 were SEK 1,748 million and principally reflected disposal of property.

Net cash outflows used in investing activities for the year ended 31 December 2019 were SEK 57,638 million and principally reflected investments in property and intangible assets.

Net cash outflows used in investing activities for the year ended 31 December 2018 were SEK 2,249 million and principally reflected investments in property and changes in receivables from associated companies/joint ventures.

Net cash outflows used in investing activities for the year ended 31 December 2017 were SEK 12,973 million and principally reflected investments in property.

Cash flows from financing activities

Net cash inflows from financing activities for the nine months ended 30 September 2020 were SEK -316 million and principally reflected the amortization of loans and the redemption of minority shares.

Net cash flows from financing activities for the year ended 31 December 2019 were SEK 60,796 million and principally reflected newly taken loans and issued hybrid bonds and shares.

Net cash inflows from financing activities for the year ended 31 December 2018 were SEK 2,473 million and principally reflected the issuance of shares, the issuance of hybrid bonds and the incurrence of new loans, which were partially offset by dividend payments, the redemption of certain securities and the amortization of loans.

Net cash inflows from financing activities for the year ended 31 December 2017 were SEK 12,049 million and principally reflected the issuance of shares, the issuance of hybrid bonds, the acquisition of minority shares and the incurrence of new loans, which were partially offset by dividend payments and the amortization of loans.

Capital Expenditures

The SBB Group's capital expenditures mainly consist of investments in properties, including acquiring properties and property companies, as well as capital expenditures to renovate property and for ongoing long-term maintenance of properties in the SBB Group's property portfolio. The following table shows the SBB Group's historical capital expenditures.

In SEK million

	For the nine months ended 30 September		For the year ended 31 December		
	2020 (unaudited)	2019 (unaudited)	2019	2018	2017
Acquisitions	6,694	9,595	57,608	3,597	13,470
Renovations	1,384	474	650	311	209
Maintenance	218	78	115	100	62
Total capital expenditures	8,296	10,147	58,373	4,008	13,741

SBB is continually making investments in existing properties, mainly for the renovation of units and tenant adaptations in other properties.

Acquisitions

Acquisition expenditures for the nine months ended 30 September 2020 were SEK 6,694 million, a decrease of SEK 2,901 million, or 30.2 percent, compared to SEK 9,595 million for the nine months ended 30 September 2019. This was principally a result of SBB acquiring fewer properties.

Acquisition expenditures for the year ended 31 December 2019 were SEK 57,608 million, an increase of SEK 54,011 million, or 1,501.2 percent, compared to SEK 3,591 million for the year ended 31 December 2018. This was principally a result of the acquisition of Hemfosa during 2019.

Acquisition expenditures for the year ended 31 December 2018 were SEK 3,597 million, a decrease of SEK 9,873 million, or 73.3 percent, compared to SEK 13,470 million for the year ended 31 December 2017. This was principally as a result of fewer properties being purchased by the SBB Group in 2018.

Renovation costs

Renovation costs for the nine months ended 30 September 2020 were SEK 1,384 million, an increase of SEK 910 million, or 192.0 percent, compared to SEK 474 million for the nine months ended 30 September 2019. This was principally a result of a larger property portfolio following the acquisition of Hemfosa.

Renovation costs for the year ended 31 December 2019 were SEK 650 million, an increase of SEK 339 million, or 109.0 percent, compared to SEK 311 million for the year ended 31 December 2018. This was principally a result of SBB achieving a higher pace in its value-creating renovations.

Renovation costs for the year ended 31 December 2018 were SEK 311 million, an increase of SEK 102 million, or 48.8 percent, compared to SEK 209 million for the year ended 31 December 2017. This was principally as a result of an increase in the number of apartments renovated from 138 apartments in 2017 to 415 apartments in 2018.

Maintenance

Maintenance costs for the nine months ended 30 September 2020 were SEK 218 million, an increase of SEK 140 million, or 179.5 percent, compared to SEK 78 million for the nine months ended 30 September 2019. This was principally a result of an increase in the size of the property portfolio following the acquisition of Hemfosa.

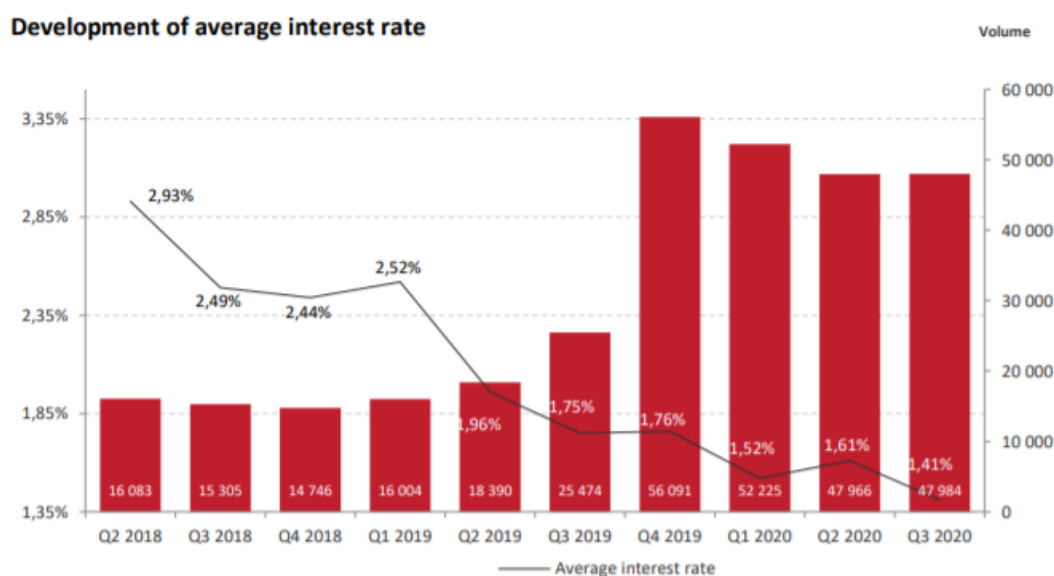
Maintenance costs for the year ended 31 December 2019 were SEK 115 million, an increase of SEK 15 million, or 15.0 percent, compared to SEK 100 million for the year ended 31 December 2018. This was principally a result of a larger property portfolio.

Maintenance costs for the year ended 31 December 2018 were SEK 100 million, an increase of SEK 38 million, or 61.3 percent, compared to SEK 62 million for the year ended 31 December 2017. This was principally as a result of the increased size of the SBB Group's portfolio over much of the year.

Indebtedness

The SBB Group has substantial indebtedness comprising bank loans in SEK and NOK, unsecured bonds in SEK and EUR, secured bonds in SEK and NOK and commercial paper in SEK and EUR. As of 30 September 2020, the SBB Group's interest-bearing liabilities were SEK 47,984 million and the SBB Group had 4.9 years average fixed interest and 1.41 percent average interest.

The graphic below shows the evolution of the nominal value of the SBB Group's debt along with the weighted average maturity and weighted average cost of debt at the end of each quarter since the first quarter of 2018.



Liabilities to credit institutions

As of 30 September 2020, the SBB Group had SEK 11,707 million of liabilities to credit institutions. The SBB Group's loan portfolio is divided among several credit institutions, primarily Nordic commercial banks. As of 30 September 2020, the SBB Group had SEK 9,077 million of borrowing capacity under its various unutilized credit facilities.

Bonds

As of 30 September 2020, the SBB Group had SEK 32,461 million of outstanding bonds. The following tables show the SBB Group's listed bonds as of 30 September 2020, including information about whether the bonds are secured, classified as green bonds or hybrids etc.

Issuer	Maturity	SEKm	Repurchased by SBB (SEKm)	Interest	Maturity Date	ISIN Code	Type
SBB	2018-2022	56	22	Stibor 3M + 3.60%	2022-10-03	SE0011725514	
SBB	2018-2021	474	466	Stibor 3M + 3.65%	2021-05-12	SE0010985713	
SBB	2018-2021	750	711	Stibor 3M + 3.90%	2021-01-29	SE0010414581	
SBB	2019-2024	500	247.5	Stibor 3M + 3.30%	2024-02-14	SE0012256741	Green
SBB	2019-2024	200	27.5	Stibor 3M + 3.25%	2024-02-19	SE0012313245	
SBB	2019-2025	600	50	Stibor 3M + 1.90%	2025-01-14	XS1997252975	
SBB	2020-2025	500	86	Stibor 3M + 1.03%	2025-01-14	XS1997252975	
SBB	2019-2023	200	75	Stibor 3M + 1.40%	2023-05-22	XS2000538699	
SBB	2016-2021	466	-	Stibor 3M + 1.85%	2021-12-23	NO963342624	Secured
SBB	2019-2022	500	50	Stibor 3M + 1.20%	2022-07-22	XS2021634675	Green
SBB	2019-2021	1,960	25	Stibor 3M + 0.93%	2021-07-05	XS2022418243	
SBB	2019-2023	800	80	Stibor 3M + 1.150%	2023-09-06	XS2050862262	Green
SBB	2019-2022	600	110	Stibor 3M + 0.95%	2022-10-03	XS2059787049	
SBB	2019-2023	1,000	-	Stibor 3M + 1.01%	2023-02-01	XS2066041661	
SBB	2019-2022	300	-	0.85%	2022-03-11	XS2078676322	
SBB	2019-2021	500	-	Stibor 3M + 0.66%	2021-11-08	XS2078691123	
SBB	2019-2023	700	25	1.07%	2023-05-11	XS2078737306	
SBB	2019-2021	800	325	Stibor 3M + 0.66%	2021-11-08	XS2078371486	
SBB	2019-2020	400	150	0.80%	2021-06-14	XS2093118953	
SBB	2019-2024	1,057	-	1.66%	2024-11-28	XS2085870728	
SBB	2019-HYB	1,500	-	3.50%	Hybrid	SE0013359148	
SBB	2020-2027	600	-	Stibor 3M + 1.50%	2027-01-30	XS2111589219	Green
SBB	2020-2025	785.45	-	Stibor 3M + 2,008	2025-06-26	XS2194790429	
SBB	2020-2027	200	-	Stibor 3M + 1.97%	2027-09-02	XS2226642259	
SBB	2020-2023	2,750	-	7%	2023-07-24	XS2208267596	Mandatory convertible

Issuer	Maturity	EURm	Repurchas ed by SBB (EURm)	Interest	Maturity Date	ISIN Code	Type
SBB	2019-HYB	300		4.63%	Hybrid	XS1974894138	
SBB	2019-2025	550	3	1.75%	2025-01-14	XS1993969515	
SBB	2019-2026	500	-	1.13%	2026-09-04	XS2049823680	
SBB	2020-2027	750	-	1%	2027-08-12	XS2114871945	
SBB	2020-HYB	500	-	2.62%	Hybrid	XS2010032618	
SBB	2020-2040	50	-	2.75%	2040-04-03	XS2151934978	

Issuer	Maturity	SEKm	Repurchased by SBB (SEKm)	Interest	Maturity Date	ISIN Code	Type
Issuer	Maturity	NOKm	Repurchased by SBB (NOKm)	Interest	Maturity Date	ISIN Code	Type
SBB	2016-2023	620	-	3.00%	2023-11-01	NO0010777683	Secured
SBB	2020-2023	400	-	Nibor 3M + 0.72%	2023-02-24	XS2124186508	
SBB	2020-2025	700	-	Nibor 3M + 1.65%	2025-08-27	XS2223676201	
SBB	2020-2023	200	-	Nibor 3M + 1.50%	2023-07-14	XS2203994517	

Commercial paper

In May 2018, the SBB Group established a SEK 2,000 million commercial paper program (the "**SEK CP Program**") arranged by Swedbank AB (publ) and in June 2019, the SEK CP Program limit was increased to SEK 4,000 million. In July 2018, the SBB Group established a EUR 200 million commercial paper program (the "**EUR CP Program**") arranged by Swedbank AB (publ), Finnish Branch. To further secure the refinancing risks in SBB a EUR 400 million Euro Commercial Paper Program was launched in May 2020. As of 30 September 2020, the SBB Group had SEK 3,816 million outstanding commercial papers.

Debt Maturity Structure

The following table shows the maturity profile of the SBB Group's financial obligations, excluding commercial paper, as of 30 September 2020.

In SEK million

Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
2,523	4,081	6,657	1,819	10,445	18,981	44,506

Off-balance sheet arrangements

As of 30 September 2020, the SBB Group did not have any off-balance sheet arrangements.

10.9 Quantitative and qualitative disclosure about market exposure

The SBB Group's management of market risk (including liquidity risk, financing risk, credit risk and interest rate risk) is described in note 22 (Financial risks) of the 2019 Audited Financial Statement, note 23 (Financial risks) in 2018 and note 21 (Financial risks) in 2017 Audited Financial Statement.

10.10 Critical accounting policies and estimates

When preparing the financial reports, the executive management and the Board must make certain assessments and assumptions that affect the reported value of asset and liability items and income and expense items as well as information provided in other respects. The assessments are based on experiences and assumptions that the SBB Group's management and the Directors consider to be reasonable under the prevailing circumstances. Actual outcomes can differ from the assessments if other conditions arise.

The SBB Group's critical accounting policies are set out in note 1 (Significant accounting principles) and the SBB Group's significant accounting judgements, estimates and assumptions are set out in note 3 (Significant estimates and assessments) of the Audited Financial Statement.

11 CAPITALISATION AND INDEBTEDNESS

11.1 Introduction

For further information on the SBB Group's capital structure and indebtedness see Section 10.8 "Liquidity and capital resources". See also Section 12.8 "Shares and share capital" for further information about SBB's share capital and shares.

11.2 Capitalisation

The tables in this section show SBB's capitalisation at the SBB Group level as of 30 September 2020.

SBB is financed by equity, interest-bearing liabilities and other liabilities. The interest-bearing liabilities consist of liabilities to credit institutions, bonds and commercial papers. As of 30 September 2020, the total interest-bearing liabilities amounted to SEK 47,984 million, of which SEK 11,707 million was liabilities to credit institutions, SEK 32,461 million was in bonds and SEK 3,816 million in commercial papers. As of 30 September 2020, SBB's loan-to-value ratio was 42 percent. SBB's equity, excluding retained earnings and indebtedness, as of 30 September 2020 is presented in the tables below. Interim liabilities and deferred tax are not shown in the tables below. The liabilities in the tables below consist of both interest-bearing and non-interest-bearing liabilities.

IN SEK MILLION

	As of 30 September 2020
Current liabilities	
Guaranteed or secured	-
Secured ¹	320
Not guaranteed or secured	7,536
Total current liabilities	7,856
Non-current liabilities	
Guaranteed or secured	-
Secured ²	12,439
Not guaranteed or secured	30,461
Total non-current liabilities (excluding the current liabilities)	42,900
Equity	
Share capital	144
Statutory reserve	-
Other reserves	41,839
Total equity	41,983

¹ Security means property mortgages and holdings in Group companies.

² Security means property mortgages and holdings in Group companies.

11.3 Indebtedness

The table below sets out SBB's unaudited indebtedness as of 30 September 2020 and has been extracted without material adjustment from SBB's accounting records. This table should be read together with the Historical Financial Information.

IN SEK MILLION

	As of 30 September 2019
(A) Cash	-
(B) Cash and cash equivalents ¹	6,065
(C) Readily realizable securities	-
(D) Liquidity (A)+(B)+(C)	6,065
(E) Current receivables	1,974
(F) Short-term bank loans	277
(G) Current portion of non-current liabilities	43
(H) Other current liabilities	7,536
(I) Current liabilities (F)+(G)+(H)	7,856
(J) Net current liabilities (I)-(E)-(D)	-183

IN SEK MILLION

	As of 30 September 2019
(K) Long-term bank loans.....	11,387
(L) Bonds issued.....	30,266
(M) Other long-term loans	1,247
(N) Non-current liabilities (K)+(L)+(M)	42,900
(O) Net indebtedness (J)+(N)	42,717

¹ Cash and cash equivalents means bank deposits.

12 CORPORATE GOVERNANCE

12.1 Board of Directors

The Board of Directors consists of seven ordinary members, including the chairman of the Board of Directors, with no deputy members of the Board, all of whom are elected for the period up until the end of the annual general meeting in 2021. The table below shows the members of the Board of Directors, when they were first elected and whether or not they are considered to be independent of a and/or SBB's major shareholders. In this context, major shareholders are defined as controlling, directly or indirectly, at least ten percent of the shares or votes in SBB. If a company owns more than 50 percent of the shares, ownership interest or votes in another company, the former is regarded as having indirect control of the latter company's ownership in other companies.

Name	Position	Member since	Independent of	
			SBB and executive management	The major shareholders
Lennart Schuss.....	Chairman	2017	Yes	Yes
Ilija Batljan.....	Board member and CEO	2017	No	No
Sven-Olof Johansson.....	Board member	2017	Yes	Yes
Fredrik Svensson.....	Board member	2018	Yes	No
Hans Runesten.....	Board member	2014*	Yes	Yes
Eva Swartz Grimaldi.....	Board member	2017	Yes	Yes
Anne-Grete Strøm-Erichsen.....	Board member	2017	Yes	Yes

* Hans Runesten was also a member of the Board of Directors in relation to the previous business, which was conducted under the company name Effnetplattformen AB (publ) and related to digital communication and investment.

LENNART SCHUSS

Born 1952. Chairman of the Board since 2017, chairman of the audit committee and member of the remuneration committee.

Education: B.A. in Economics from Stockholm School of Economics.

Other current assignments: Chairman of the board in Kungliga Filharmoniska Sällskapet. Chairman of Judisk Kultur i Sverige. Member of the board of directors of Borglanda Fastighets AB, Brasil Development AB, Briot AB, Skoga Invest AS and the Stockholm Concert Hall Foundation.

Deputy member of the board of Strandeken Fastigheter AB and a number of subsidiaries in the SBB Group.

Advisor to Genesta Fastighetsfonder and chairman of the Swedish Society of Friends of the Weizmann Institute of Science.

Previous assignments (last five years): Chairman of the board in Judiska Församlingen i Stockholm Service Aktiebolag and a number of subsidiaries in the SBB Group.

Member of the board of directors of Borglanda Fastighets AB, Widia Aktiebolag, IB Gångsta Holding AB, IB Härsta 1 AB, IB Härsta 2 AB and a number of subsidiaries in the SBB Group. Member of the board of directors and senior advisor in Teal Capital AB.

Deputy member of the board of ST Bostäder AB, TTF Invest AB, Westerlingska Gården AB, SP Skölden 1 AB, Fastighets AB Idbäcken, Eskilstunafastigheter III AB, Kajsarporten Fastighets AB, NF Järnhandlaren AB, Vinterklasen Kastanjen AB, Valerum Brovakten AB, Gimmel Hästen AB, Lingonet i Västervik Fastighetsaktiebolag, Härsta Västland Förvaltning AB, Korsaröds Fastighets AB, Fastighetsbolaget Broberg i Söderhamn AB, Bergrick Rickomberg AB, Bergrick Bostäder AB, Vinterklasen Ek9 AB, Vinterklasen Liljan AB, Vinterklasen Sippan AB, Kvarnfastighet 33:2 i Uppsala AB, Klövern Skärgårdsgatan AB, Bergrick Bostadsrätter AB, SHSVBIO 13 AB, Högkullen Akvarell AB, Fastighets AB Båstad Lyckebacken 2, MI Andersson Sanden AB, ADR Fastighet Nyköping 1 AB, Visby Nunnan 1 AB, Wegaf klippan Apollo 15 AB and a number of subsidiaries in the SBB Group.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

ILIJA BATLJAN

Born 1967. Member of the Board and CEO since 2017.

Education: Ph.D. in demography and planning for elderly care, Stockholm University. Bachelor of Economics, Stockholm University.

Other current assignments: Chairman of the board of Cryptzone Research & Development Aktiebolag, Cryptzone Group AB, Cryptzone Digital AB, Hemfosa Fastigheter AB (publ) and a number of other subsidiaries in the SBB Group.

Member of the board of Health runner AB, Ilija Batljan Invest AB, Ilija Batljan Invest Kristianstad AB and a number of subsidiaries in the SBB Group.

Previous assignments (last five years): Chairman of the board of Alkärrsplan Aktiebolag, Cryptzone International Aktiebolag, Applod AB, Nynäshamn Offshore AB, Sidöparken AB, Rikshem Fastighetsutveckling AB, Vinterklasen Kastanjen AB, Folkhem Trä AB, Dalafast Mariabacken2 AB and a number of subsidiaries in the SBB Group.

Chairman of the board of Alkärrsplan Aktiebolag, Cryptzone International Aktiebolag, Applod AB, Nynäshamn Offshore AB, Sidöparken AB, Rikshem Fastighetsutveckling AB, Vinterklasen Kastanjen AB, Folkhem Trä AB, Dalafast Mariabacken2 AB and a number of subsidiaries in the SBB Group. Board member of Used A Porter International AB, Ilija Batljan Invest Kristianstad Fastigheter AB, Rikshem Pålsjö AB, Rikshem Bostäder Kalmar AB, Rikshem Polarhus AB, Rikshem Fjärilshuset AB, Rikshem Enheten AB, Rikshem Nordan AB, Folkhem Produktion Aktiebolag, Doro Care AB, Rikshem Östkalmar AB, Värmdöbostäder Aktiebolag, Rikshem Kalmarcentrum AB, TargetEveryOne AB (publ), Rikshem Fågeln AB, BoViva Aktiebolag, FD Jorden AB, Rikshem Planteringen AB, Broskeppet Försommaren AB, Broskeppet Sannegård AB, Rikshem Helsingborg AB, Jorden Solskensparken AB, Rikshem Brandstoden AB, Phoniro AB, Rikshem Bikupan AB, Rikshem Högaborg AB, Rikshem Västerås Samhold AB, Rikshem Västerås Servicehus AB, Rikshem Umeå Samhold AB, Rikshem Norrköping Samhold AB, Rikshem Sundsvall Samhold AB, Gimmel Bostäder i Sundsvall AB, Rikshem Fålhagen AB, Rikshem Öresund Holding AB, Rikshem Borgskölden AB, Rikshem Borgs AB, Rikshem Norrköping AB, Rikshem Malm AB, Flowscape Technology AB (Publ), Rikshem Hackspett AB, Westerlingska Gården AB, Rikshem Segelbåten AB, Rikshem Pokalen AB, Rikshem Sävja AB, Rikshem Cityfastigheter AB, Rikshem Daldockan AB, Steninge Backe i Sigtuna AB, Rikshem Rådgivaren AB, Rikshem Söderfuran AB, Rikshem Skorpionen AB, Rikshem Hasseln AB, SP Skölden 1 AB, Rikshem Västerås Delägare AB, Rikshem Blombacka AB, Rikshem Delägare AB, Rikshem Attika AB, Rikshem Bostäder Holding AB, Rikshem Samhold AB, Rikshem Bostäder Uppsala AB, Rikshem Samfast Västerås AB, Fastighets AB Idbacken, Rikshem Sigtuna Vårdfast AB, Eskilstunafastigheter III AB, Rikshem Samfast Knivsta AB, Rikshem Samfast Halmstad AB, Rikshem Sigtuna Samhold AB, Rikshem Bostäder Blå AB, Mejeriparken Knivsta AB, Rikshem Valsta AB, Rikshem Skolfastigheter AB, Rikshem Ljuset AB, Rikshem Lärlingsplatsen AB, Rikshem Östergötland 1 AB, Rikshem Vit AB, Rikshem Långsjöbo AB, Victoria Park Nyköping Bostäder AB, Rikshem Östergötland 2 AB, Rikshem Skåne Holding AB, Kajsarporten Fastighets AB, Rikshem Skåne Delägare AB, Wallenstam Gränby 9:6 AB, Rikshem Stopet AB, Rikshem Idrottsplatsen AB, Rikshem Kantorn AB, Rikshem Statten AB, Rikshem Elineberg AB, Rikshem Bålgetingen AB, Rikshem Gärdeskvärnen Utveckling AB, Rikshem Omsorgsfastigheter 2 AB, Rikshem Omsorgsfastigheter 1 AB, Viken Stubben AB, Rikshem Ale AB, Rikshem Balgripen AB, SP Tillbringaren 2 AB, Rikshem Makaren AB, Valsta Bostad 2 AB, Valsta Bostad 1 AB, Kistaklippans Fastighets AB, BroGripen Sonetten Förvaltning AB, Rikshem Lila AB, Rikshem Gul AB, Rikshem BRF-ägare 2 AB, Rikshem BRF-ägare 3 AB, Rikshem Lägenheter AB, Rikshem BRF-ägare 1 AB, Rikshem BRF-utveckling AB, Lingonet i Västervik Fastighetsaktiebolag, Valsta Bostad 5 AB, Valsta Bostad 3 AB, Korsaröds Fastighets AB, Farsta Intressenter AB, Vinterklasen Ek9 AB, Vinterklasen Liljan AB, Vinterklasen Sippan AB, Kvarnfastighet 33:2 i Uppsala AB, Klövern Skärgårdsgatan AB, SHSVBIO 13 AB, Högkullen Akvarell AB, Fastighets AB Båstad Lyckebacken 2, MI Andersson Sanden AB, ADR Fastighet Nyköping 1 AB, Visby Nunnan 1 AB, Wegaf klippan Apollo 15 AB, Rikshem Kapellet 18 Ekonomisk förening, Rikshem Helsingborg Ekonomisk förening and a number of subsidiaries in the SBB Group.

Deputy member of the board of Nya Valsta Centrum AB, Valsta Bostad 6 AB and Valsta Bostad 4 AB. External CEO of Rikshem AB (publ).

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

SVEN-OLOF JOHANSSON

Born 1945. Member of the Board since 2017 and member of the audit committee.

Education:	Master's degree in political science from Stockholm University and Stockholm School of Economics
Other current assignments:	Chairman of the board of Gaudemus AB, Deamatrix Förvaltning Aktiebolag, FastProp Gävle AB, FastProp Holding AB, Xenella Holding AB, Centralparken Täby III AB, Centralparken Täby IV AB and Slättö Fastpartner Spånga AB.
Previous assignments (last five years):	<p>Member of the board of Kebarco AB, Autoropa Aktiebolag, Storheden Invest AB, STC Interfinans Aktiebolag, Batteriet Hus AB, Landeriet Förvaltning AB, Fastpartner Årsta 76:2 AB, Standard Fastighet i Märsta AB, Landeriet 14 AB, Fredriksten Fastighet AB, Märsta Centrum AB, Robarco AB, Anbarco Bilinvest AB, Partnerfastigheter NF AB, Batteriet Fastighetsförvaltning AB, Profundo AB, Landeriet Fastighet AB, Fastighetspartner Täby AB, Fastighetspartner Amplus AB, Fastighetspartner Hallstahammar AB, Fastighetspartner Norrköping AB, Hjulbro Byggtjänst AB, Cabinjo Holding AB, Colonia Fastighet AB, FastPartner Expansion AB, Ranchen.com Tobo Gård AB, H.J. Catering AB, Landeriet-Gruppens Hyresredovisning AB, Compactor Fastigheter AB, FastPartner Mälarporten AB, Batteriet Centrumhus AB, Västsvenska Hotellfastigheter AB, Svenska Stadshotell AB, Fastpartner Bagaren 7 AB, Nordpartner Aktiebolag, Fastpartner Humlet AB, VATELUS AB, FastPartner Frihamnen AB, FastPartner Tech Center AB, Fastighetspartner Globen AB, FastPartner Sätesdalen 2 AB, Fastpartner Hammarby-Smedby 1:454 AB, Fastpartner Hammarby-Smedby 1:461 AB, Fastighetspartner Avaström Holding AB, FastPartner Syllen 4 AB, Fastighetspartner AB Drillsnäppan, Fastighetspartner Skolfastigheter AB, FastPartner Västerbotten 19 AB, Fastpartner Märsta 24:4 AB, FastPartner Ekplantan 2 AB, FastPartner Centrum 13 AB, FastPartner Ritmallen 1 AB, Fastighetspartner Lunda AB, Fastighetspartner Knivsta-AR AB, Adam Care AB, Hotell Larmvall AB, Fastighets AB Bomullsspinneriet, Vexillum Duo AB, Fastighetspartner Bromma AB, Vallentuna Centrum AB, FastPartner Solna One AB, VATELLUS Holding AB, Vallentuna 1:7 AB, Vallentuna Prästgård 1:130 AB, Vallentuna 1:474 AB, Sätra Hälsofastigheter AB, FastPartner Högsbo 27:6 AB, FastPartner Mälardalen AB, FastPartner Sporren 4 AB, SRU Intressenter AB, Gävle Näringen 22:2 AB, FastPartner Haninge AB, Vinsta Stenskarve AB, FastPartner Hässelby AB, FastPartner Rinkeby AB, FastPartner Älvsjö AB, FastPartner Tensta AB, FastPartner Bredäng AB, FastPartner Brynäs 124:3 AB, FastPartner Hemsta 9:4 AB, FastPartner Fastigheter Märsta AB, FastPartner Hammarby-Smedby AB, Vallentuna 1:472 AB, Fastighetsbolaget Oljan 2 i Täby AB, Fastighets AB Krejfast, FastPartner Brista AB, FastPartner Märsta Kontor AB, Fastighets AB Repslagaregatan, Fast Real AB, Märsta 1:198 AB, FastPartner Bredden AB, FastPartner Luntmakargatan 22-34 AB, Fastpartner Valbo-Backa 6:13 AB, FastPartner Alingsås-Ulricehamn AB, Autoropa Holding AB, FastPartner Västra Hindbyvägen 12 AB, FastPartner Målaren 14 AB, FastPartner Kärra 78:3 AB, FastPartner Aga 2 AB, FastPartner Fagerstagatan 21 AB, One Network Of Holding AB, One Network Of Concept AB, Fastpartner Uppfinnaren 1 AB, FastPartner Biskopsgården 46:4 AB, FastPartner Slakthuset 21 AB, FastPartner Slakthuset 20 AB, FastPartner Importen 3 AB, FastPartner Slakthuset 18 AB, FastPartner Slakthuset 19 AB, FastPartner Slakthuset 22 AB, Tartt Förvaltning AB, Fastpartner Kostern 11 AB, FastPartner Sjöstugan 1 AB, FastPartner Pooc AB, Fastpartner Karis 4 AB, Fastpartner Karis 3 AB, FastPartner Ekenäs 4 AB, FastPartner Ekenäs 3 AB, FastPartner Ekenäs 2 AB, FastPartner Ekenäs 1 AB, FastPartner Bolmensvägen AB, FastPartner Gustav 1F AB, FastPartner Gustav 1B AB, FastPartner Gustav 1 AB, FastPartner Gustav 1C AB, FastPartner Gustav 1D AB, FastPartner Gustav 1E AB, FastPartner Bromsten Holding II AB, FastPartner Bromsten Holding I AB, FastPartner Bosgård 1:32 AB, FastPartner Sätra Skolfastigheter AB, Fastpartner Kungsängen 40:1 AB, Fastpartner Flyggodset AB and Fastpartner Reläet 8 AB.</p> <p>Deputy member of the board of Colinasverdes AB, Henrik and Sven-Olof Fastigheter AB and Centralparken Holding AB.</p>
Previous assignments (last five years):	<p>Chairman of the board of Heimstaden Geflefastigheter AB, Centralparken Täby II AB and Centralparken Täby I AB.</p> <p>Member of the board of NCC Aktiebolag, Batteriet Fastigheter AB, Fastighets AB Solrenen, Fastighetspartner Bromsten AB, CareDx International AB, Mio Fastigheter i Tibro AB, Rinkebyvägen 11 Fastighets AB, Fastighets AB R 7:176, Gunhild 5 A ekonomisk förening, Gunhild 5 B ekonomisk förening, Gunhild 5 C ekonomisk förening and Gunhild 5 D ekonomisk förening.</p> <p>Limited partner of Hallsta Förvaltnings Kommanditbolag.</p>
Shareholding in SBB (incl. any shares held by related parties):	Yes. For more details refer to Section 12.11 "Ownership structure".

FREDRIK SVENSSON

Born 1961. Member of the Board since 2018 and member of the audit committee.

Education: M.B.A. from Linköping University.

Other current assignments: Chairman of the board of Arvid Svensson Invest AB, Rocklunda Fastigheter Aktiebolag, Anund Fstighets AB, Arosmotet Bostadfastigheter AB, EMIRIT i Västerås AB, Fastighetsaktiebolaget Femur AB, Forsmarks Gymnasium AB, Fridnäs 2:1 AB, Industritekniska Gymnasiet Bergslagen AB, SVKA Holding i Västerås AB, Teknobilidning Sverige AB and ABAS Capital AB.

Member of the board of Fastighets AB Balder, Aktiebolaget Arvid Svensson, AB Tenzing, AB Venarv, Aktiebolaget Axel Sundströms Järn AB, Arvid Svensson Cityfastigheter AB, Arvid Svensson Förvaltnings AB, ASCA Förvaltnings AB, Ektorp Holding AB, Fagerblads Frank Aktiebolag, Fastighetsaktiebolaget Femur 2, Fastighetsbolaget Ljusbågen 8 AB, Högantorp Holding AB, S trandhöjden AB, Svanå Bruk & Säteri AB, Svensk Markförvaltning AB, Tangocm Capital Markets AB, YETIS BALTICS AB, YETIS FORESTRY AB and Youth Entrepreneurship Togetherness Innovation Holding AB.

Deputy member of the board of Arvid Svensson Fastigheter Aktiebolag and Savana Stockholm AB.

Previous assignments (last five years): Chairman of the board of Primelog Holding AB.

Member of the board of Klövern AB, Aston Carlsson AB, Mirino AB, Albyäng Holding AB, Vretvägens Fastighets AB, KFAS Fastigheter i Västerås AB and Fastighetsbolaget Ljusbågen 8 AB.

Deputy member of the board of Skogssällskapet Brånsta AB, Fastighets AB Vintertullstorget and ASE Media AB

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

HANS RUNESTEN

Born 1956. Member of the Board since 2014 and member of the audit committee.

Education: M.B.A. from Stockholm University.

Other current assignments: Chairman of the board of Effnet AB, Effnetplattformen AB (publ), Twicebasic AB and Scan Baltic Ltd.

Member of the board of Ironbridge AB.

Previous assignments (last five years): Chairman of the board of Goldblue AB (publ), Axxonen Holding AB (publ) and Earners Alliance Holding AB (publ).

Member of the board of Stendörren Fastigheter AB.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

EWA SWARTZ GRIMALDI

Born 1956. Member of the Board since 2017, chairman of the remuneration committee and member of the audit committee.

Education: Bachelor's degree in Languages (Italian, Spanish and French) as well as from Kulturvetarlinjen.

Other current assignments: Chairman of the board of Apotea AB, Michael Berglund AB, Eva Swartz Grimaldi Consulting AB and Efevevmimanisa AB.

Member of the board of Richard Swartz AB.

Member of the board of the Stockholm Concert Hall Foundation, Stockholm Concert Hall, Forget Foundation and Royal Patriotic Society.

Previous assignments (last five years): Chairman of the board of Doberman AB and Norstedts Förlagsgrupp AB. Member of the board of Storytel AB (publ), Forget Foundation and Stockholm University.

External CEO of Bianchi Café & Cycles Sverige AB.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

ANNE-GRETE STRØM-ERICHSEN

Born 1949. Member of the Board since 2017 and member of the audit committee.

Education: Computer Science Engineer Bergen Technical School, and additional studies in Computer Science at South Dakota School of Mines & Technology 1980-1981.

Other current assignments: Chairman of the board of the |Norwegian Atlantic Committee, Bergen og Omland Havn and DIP AS.

Member of the board of Kongsberg Gruppen ASA, Carte Blanche AS, and Tankesmien Agenda AS.

Senior advisor in Rud Pedersen Public Affairs Norge AS.

Previous assignments (last five years): Partner at Rud Pedersen Public Affairs Norge AS

Chairman of the Board of Arbeidssamvirkenes Landsforening, Board member of Nord Hordlang Helsehus and deputy chairman of the board of the Norwegian Brain Council.

A number of political assignments, including minister of defense and minister of health in the Norwegian government.

Shareholding in SBB (incl. any shares held by related parties): No holdings in SBB.

12.2 Executive management team

ILIJA BATLJAN

Born 1967. Member of the Board and CEO since 2017.

For further details, see Section 12.1 "Board".

LARS THAGESSON

Born 1959. Deputy CEO and COO since 2018.

Education: 9 years of elementary school.

Other current assignments: Chairman of the board of Seglora Fastighets AB, Arctic Forest Development AB, Nordic Forest Development AB, Hammars Markentreprenad i Jönköping AB, Solhemmet Samhällsfastigheter AB, BRN Fastigheter 1 AB, BRN Fastigheter 2 AB and BRN Fastigheter 3 AB.

Member of the board and CEO of CEO Fastigheter AB (publ).

Member of the board of Trenäs Förvaltning AB, Smart Parkering Sverige AB, Djurgårdsblicken AB, Tagesson & söner Fastighets AB, Hagabacken Förvaltnings AB, Skomakargatan 13 Invest AB, Valerum Fastighets AB and a number of subsidiaries in the Valerum group.

Deputy member of the board of Seglora Invest AB, Tyghuset i Taberg Aktiebolag, Örnén Väner AB and Tabergsdalens Invest AB.

Previous assignments (last five years): Chairman of the board of Villa Culmen Strängnäs AB, Culmen Strängnäs II AB and Söderport Göta AB.

Member of the board of Nyda Aktiebolag, Nilam & Co AB, Slussmäklarna AB, Termino C 1498 AB, Seminariet 8 AB and Projekt Gnistan 1 AB.

Deputy member of the board of Nyfosa Armaturen 1 Fastighets AB, Ribby Ängar Bostads AB, Ribby Ängar Dotter 1 AB, Ribby Ängar Förvaltning AB, Ribby Ängar Dotter 2 AB and Ribby Ängar Dotter 3 AB.

CEO of Karlbergsvägen 77 Fastighets AB

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to 12.11 "Ownership structure".

KRISTER KARLSSON

Born 1970. Deputy CEO and property development director since 2016.

Education: Constructional engineer from Rudbecksskolan Örebro, Real estate economics from the Royal Institute of Technology, Stockholm University and Uppsala University and law studies at Uppsala University.

Other current assignments: Chairman of the board, board member and deputy board member of a number of subsidiaries in the SBB Group.

Member of the board of KlaraBo Förvaltning AB KlaraBo Höganäs AB, KlaraBo i Trelleborg AB and SSM Holding AB.

Previous assignments (last five years): Board member of Nya Valsta Centrum AB, Farsta intressenter AB, Farsta Fastighetsintressenter AB, Farsta Stadsutveckling AB, Larsboda Fastighetsutveckling AB, BCAC Lägenheter AB, BCAC Brf-ägare 1 AB, BCAC Brf-ägare 2 AB, BCAC Brf-ägare 3 AB, BCAC Brf Holding 1 AB, BCAC Brf Holding 2 AB, BCAC Brf Holding 3 AB, BCAC Brf Holding 4 AB, BCAC Brf Fastighet 1 AB, BCAC Brf Fastighet 2 AB, BCAC Brf Fastighet 3 AB, BCAC Brf Fastighet 4 AB, Uppsala Fastighetsprojekt Operatörsbolag AB and a number of subsidiaries in the SBB Group.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

ROSEL RAGNARSSON

Born 1955. Finance director since 2017.

Education: Bachelor of Science in Business and Economics from Uppsala University.

Other current assignments: Deputy member of the board of Ragnarsson Ekonomikonsult Aktiebolag.

Previous assignments (last five years): Deputy CEO of Stockholms läns landsting SLL Internfinans AB.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

EVA-LOTTA STRIDH

Born 1975. CFO since 2016.

Education: Bachelor of Science in Business and Economics from Stockholm University.

Other current assignments: Member of the board of Eva-Lotta Stridh Ekonomikonsult AB, Hemfosa Fastigheter AB (publ) and a number of subsidiaries in the SBB Group.

Previous assignments (last five years): Member of the board of Rikshem Pålsjö AB, Rikshem Bostäder Kalmar AB, Rikshem Polarhus AB, Rikshem Fjärilshuset AB, Rikshem Enheten AB, Rikshem Nordan AB, Rikshem Östkalmar AB, Rikshem Kalmarcentrum AB, Rikshem Planteringen AB, Broskeppet Försommaren AB, Broskeppet Sannegård AB, Broskeppet Försommarparken AB, Jorden Solskensparken AB, Rikshem Brandstoden AB, Rikshem Bikupan AB, JF Helsingborg AB, Rikshem Amerika AB, Rikshem Fjärilsvingen AB, Rikshem Munken AB, Rikshem Tunnan AB, Rikshem Helsingborgsmalen AB, Rikshem Imse AB, Rikshem Pigan AB, Rikshem Bockstenen AB, Rikshem Bjärebörren AB, Rikshem Helsingborgsfjärilen AB, Rikshem Stenkronan AB, Rikshem Holländaren AB, Rikshem Eneborgen AB, Rikshem Norge AB, Rikshem Furutorp AB, Rikshem Visitören AB, Rikshem Goblet AB, Rikshem Västerås Samhold AB, Rikshem Västerås Servicehus AB, Rikshem Umeå Servicehus AB, Rikshem Umeå Samhold AB, Rikshem Norrköping Samhold AB, Rikshem Bärnstenen AB, Rikshem Sundsvall Samhold AB, Gimmel Bostäder i Sundsvall AB, Rikshem Fålhagen AB, Rikshem Öresund Holding AB, Rikshem Borgskölden AB, Rikshem Borgs AB, Rikshem Norrköping AB, Rikshem Malm AB, Rikshem Hackspett AB, Rikshem Segelbåten AB, Rikshem Pokalen AB, Rikshem Sävja AB, Rikshem Cityfastigheter AB, Rikshem Daldockan AB, Steninge Backe i Sigtuna AB, Rikshem Rådgivaren AB, Rikshem Söderfuran AB, Rikshem Fastigheter AB, Rikshem Skorpionen AB, Rikshem Hasseln AB, Rikshem Västerås Delägare AB, Rikshem Blombacka AB, Rikshem Delägare AB, Rikshem Attika AB, Rikshem Bostäder Holding AB, Rikshem Samhold AB, Rikshem Bostäder Uppsala AB, Rikshem Samfast Västerås AB, Rikshem Sigtuna Vårdfast AB, Rikshem Samfast Knivsta AB, Rikshem Samfast Halmstad AB, Rikshem Sigtuna Samhold AB, Rikshem Bostäder Blå A, Mejeriparken Knivsta AB, Rikshem Valsta AB, Rikshem Skolfastigheter AB, Rikshem Ljuset AB, Rikshem Läringsplatsen AB, Rikshem Östergötland 1 AB, Rikshem Vit AB, Rikshem Långsjöbo AB, Victoria Park Nyköping Bostäder AB, Rikshem Östergötland 2 AB, Rikshem Skåne Holding AB, Rikshem Skåne Delägare AB, Wallenstam Gränby 9:6 AB, Rikshem Fastighetsutveckling AB, Rikshem Stopet AB, Rikshem Idrottsplatsen AB, Rikshem Kantorn AB, Rikshem Stattena AB, Rikshem Elineberg AB, Rikshem Bålgetingen AB, Rikshem Gärdeskvärnen Utveckling AB, Rikshem Omsorgsfastigheter 2 AB, Rikshem Omsorgsfastigheter 1 AB, Viken Stubben AB, Rikshem Ale AB, Rikshem Balgripen AB, Rikshem Makaren AB, BroGripen Sonetten Förvaltning AB, Rikshem Lila AB, Rikshem Gul AB, Rikshem Brf-ägare 2 AB, Rikshem Brf-ägare 3 AB, Rikshem Lägenheter AB, Rikshem Brf-ägare 1 AB, Rikshem Brf-utveckling AB, Rikshem Kapellet 18 Ekonomisk förening and Rikshem Helsingborg 18 Ekonomisk förening.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

OSCAR LEKANDER

Born 1985. Business development director since 2016.

Education: Master of Science in Real Estate and Finance from The University of Hong Kong. B.A. in Real Estate and Finance from the Royal Institute of Technology.

Other current assignments: Member of the board of SBB i Norden AB (publ), Holp Förvaltning AB, Lovik Fastighets AB, BRN, Fastigheter 1 AB, BRN Fastigheter 3 AB, BRN Fastigheter 2 AB, Hemfosa Fastigheter AB (publ) and a number of subsidiaries in the SBB Group. Deputy board member of a number of subsidiaries in the SBB Group.

Previous assignments (last five years): Member of the board of Dalafast Mariabacken2 AB, Vinterklasen Kastanjen AB and a number of subsidiaries in the SBB Group.

Deputy board member of a number of subsidiaries in the SBB Group.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

ANNIKA EKSTRÖM

Born 1965 Head of Asset Management Community Service Properties since 2019

Education: Master's Degree in Engineering, KTH Royal Institute of Technology.

Other current assignments: -

Previous assignments (last five years): Head of Asset Management at Hemfosa Fastigheter (2010–2019). Various positions at Aberdeen Asset Management.

Shareholding in SBB (incl. any shares held by related parties): Yes. For more details refer to Section 12.11 "Ownership structure".

VIKTOR MANDEL

Born 1984. Head of Sveafastigheter since 2020.

Education: Business Economics, KTH Royal Institute of Technology.

Other current assignments: Chairman of the board, board member and deputy board member of a number of subsidiaries in the SBB Group.

Chairman of the board of Belatchew Fastigheter AB, Billesholm Invest AB, VR Bostad Norr 1 AB, VR Bostad Norr 2 Fastighets AB, VR II Bostad AB, VR Bostad H1 AB, VR Bostad H2 AB, VR Bostad BV 4-90 AB, VR Bostad H11 AB, VR Södra Autopiloten 1 Fastighets AB, VR Södra Autopiloten 6 och 8 Fastighets AB, Nordsten Fastigheter AB, Nordsten H1 AB, Bostad Syd Helsingborg Förvaltning AB, Bostad Syd Landskrona Förvaltning AB, Askgrunden Kapitalförvaltning AB, Wättinge Utveckling AB, Fastighetsaktiebolaget Persborg, TEGELBORGEN Aktiebolag, Spitoula Fastighets AB, Segersälls Fastighets AB, Södra Hallsta Utveckling AB, Fastighets AB Karlavagnen 56, Fastighets AB Prästkragen 5, Discus Utveckling AB, Fastighetsaktiebolaget Stestu, Nytorpsgårde Utveckling AB, Fastighets AB Plåtparet, Suell Holding AB.

Member of the board of Mandel Projektutveckling AB, Mandel Invest AB, Mandel Förvaltnings AB, Mandel Fastigheter Stockholm AB, Mandel Fastigheter Slakthusområdet AB, PPE Fastigheter i Kalmar AB, PPE Holding AB, PPE KV 1 Holding 1 AB, PPE KV 1 Holding 2 AB, PPE KV 2 Holding AB, P&E Skatan Invest AB, Växjö Skatan 12 AB, Växjö Skatan Property 11 AB, Växjö Skatan Property 12 AB, Växjö Skatan Property 13 AB, Växjö Skatan Property 14 AB, Fryksås Fäbodfastigheter AB, Dalbo Holding 1 AB, SLUV AB, KV 1 Hyr 1 AB, KV 2 Kalmar AB, KV 1 Hyr 2 AB, KV 1 Hyr 3 AB, KV 1 Gård 1 AB, Vård 1 AB, Aspudens Husentreprenad AB, AVY Finans AB, AVY Spar AB, YVA Holding AB, Nordanö Förvaltning AB, VR Bostad AP I AB, VR Bostad AP II AB, VR Bostad H12 AB, Smålandsvist AB.

Deputy board member of Ångsöaskarna Kapitalförvaltning AB, Brunswick Invest I AB, Brunswick Invest II AB, Brunswick Invest III AB, Brunswick Invest IV AB Brunswick, Brunswick Invest VI AB, Brunswick Invest Advisory AB, Brunswick Invest Octopoda I AB, Octopoda Holding AB, BI Octopoda Family I AB, Kalmar KV 2 Bostad 1 AB.

CEO of Sveafastigheter Bostad Group AB.

Previous assignments (last five years): Chairman of the board of Fastighetsaktiebolaget Katslösa, Katslösa Holding AB, VR En Portfölj Holding AB, VR Bostad Norr 2 AB, Östra Borgaren AB, Persborg Holding AB, Negroleget Holding AB, Spitoula Holding AB, Bostad Syd Fastighets Utveckling AB.

Member of the board of Nordanö Partners AB, Nordanö Holding AB, Nordanö Intressenter AB, Termino C 2285 AB, Termino C 3234 AB, Termino C 3959 AB, Kalmar KV 2 Bostad 1 AB.

Deputy board member of Sveafastigheter Bostad AB, Brunswick Invest IV AB, Brunswick Invest VIII AB, Brunswick Alternative Strategies Holding AB, AVY Finans AB, AVY Spar AB, YVA Holding AB.

Partner at Nordanö. Partner at Brunswick Real Estate.

Shareholding in SBB (incl. any shares held by related parties): No holdings in SBB.

12.3 Other information on the board and the executive management team

There are no family ties between any of the members of the Board or executive management.

Several members of the board and executive management have financial interest in SBB through direct and indirect holdings in SBB. Besides these holdings, there are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board and executive management of SBB and their private interests and/or other undertakings.

Hans Runesten was a member of the board of Axxonen Holding AB (publ) and Axxonen Properties AB and withdrew from his position less than a year before the companies were declared bankrupt in 2018. Krister Karlsson was a member of the board of Uppsala Fastighetsprojekt FAS 2 AB and Uppsala Fastighetsprojekt Holding AB and withdrew from his position less than a year before the companies were declared bankrupt in 2019.

With the exception of the aforementioned, none of the members of the Board nor any of the members of the executive management has, during the last five years, (i) been sentenced for fraud-related offenses, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy, (iii) been connected with and/or subject sanctions by any agency authorised by law or regulation (including approved professional organisations) or (iv) been prohibited by a court of law from being a member of any company's administrative, management or supervisory body or from holding a senior or overarching position in any company.

All members of the Board and the members of the executive management are available at SBB's main office at Strandvägen 1, SE-114 51 Stockholm.

12.4 External auditor

At SBB's extraordinary general meeting held on 16 January 2017 Ernst & Young Aktiebolag was elected as SBB's auditor for the period up to the end of the annual general meeting in 2017. At SBB's annual general meetings on 27 April 2017, 27 April 2018, 29 April 2019 and 27 April 2020 Ernst & Young Aktiebolag was re-elected as the auditor for the period up to the end of the annual general meetings in 2018, 2019, 2020 and 2021 respectively. Ingemar Rindstig (born 1949) was the auditor in charge until the annual general meeting in 2020, whereafter Mikael Ikonen is the auditor in charge. Ingemar Rindstig and Mikael Ikonen are both authorised public accountants and members of FAR (professional institute for authorised public accountants). Ernst & Young Aktiebolag's office address is Jakobsbergsgatan 24, SE-111 44 Stockholm.

Ernst & Young Aktiebolag, with Ingemar Rindstig as auditor in charge, has been the auditor of SBB i Norden since the period before 16 January 2017.

12.5 Governance framework

SBB is a Swedish public limited liability company. SBB's corporate governance is based on Swedish law, its own internal rules and instructions, the Nasdaq Stockholm Rule Book for Issuers and good practice in the stock market. In addition, SBB is subject to the requirement of applying the Swedish Corporate Governance Code (the "**Code**"). SBB is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described, and the reasons therefor are explained in the corporate governance report (according to the so-called "comply or explain principle").

Any deviation from the Code will be reported in SBB's corporate governance report. There were no deviations reported in SBB's corporate governance report for the financial year of 2019.

General meeting

According to the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen*) (the "**Swedish Companies Act**"), the general meeting is SBB's ultimate decision-making body. At the general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of SBB's results, discharge from liability of members of the Board and the CEO, election of members of the Board and auditors and remuneration to the Board and the auditors.

The annual general meeting must be held within six months of financial year-end. In addition to the annual general meeting, extraordinary general meetings may be convened. According to SBB's articles of association, general meetings are convened by publishing the convening notice in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) and on SBB's website. At the time of the notice convening the meeting, information regarding the notice shall be published in the Swedish daily newspaper Dagens Nyheter.

Right to participate in general meetings

Shareholders who wish to participate in a general meeting must be included in the general register maintained by Euroclear Sweden on the record date and notify SBB of their participation no later than the date stipulated in the notice convening the meeting. Shareholders may attend the general meetings in person or by proxy and may be accompanied by a maximum of two assistants. Typically, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice of the meeting. A shareholder may vote for all Company shares owned or represented by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the Board. Such request must normally be received by the Board no later than seven weeks prior to the general meeting.

Nomination committee

Companies applying the Code shall have a nomination committee. According to the Code, the general meeting shall appoint the members of the nomination committee or resolve on procedures for appointing the members. The nomination committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to SBB and the SBB Group management. In addition, at least one member of the nomination committee shall be independent from the largest shareholder or group of shareholders acting in concert (in terms of voting rights).

At SBB's annual general meeting held on 27 April 2020 it was resolved that the nomination committee for the annual general meeting in 2021 shall be composed of representatives of the three largest shareholders and the chairman of the Board.

The chairman of the Board was assigned to contact the three largest shareholders by voting rights as of 30 September 2020 and ask them to assign one member each to the nomination committee. If one of these shareholders do not wish to assign a member, the next shareholder in order of magnitude of voting rights is contacted to assign a member of the election committee. The chairman of the election committee shall, unless otherwise is decided by the election committee, be the member which represents the largest shareholder by voting rights. The chairman has the casting vote. The names of the members of the nomination committee shall be included in the interim report of the third quarter of SBB.

The nomination committee's term of office ends when a new nomination committee has been appointed. If the shareholder structure changes in a material way after the nomination committee has been appointed, the representatives shall be replaced accordingly. The nomination committee proposes and nominates to the annual general meeting, the chairman and the other members of the Board. The committee also proposes the remuneration to be divided between the chairman of the Board and the other Board members, as well as other remuneration for committee work, proposes the auditor and their remuneration (and auditor alternate if applicable) and proposes instructions for appointing a new nomination committee. The nomination committee may charge SBB for hiring headhunters and other ancillary costs that are deemed appropriate in order for the nomination committee to be able to fulfil its duties. There shall be no remuneration for work carried out by the nomination committee.

Board

The Board is the second-highest decision-making body of SBB after the general meeting. According to the Swedish Companies Act, the Board is responsible for the organisation of SBB and the management of SBB's affairs, which means it is responsible for, among other things, setting targets and strategies, devising processes to evaluate targets, continuously assessing the financial condition and profits of SBB and evaluate the operating management. The Board is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. It also appoints

the CEO. The Board members are generally appointed by the annual general meeting for the period up to the end of the next annual general meeting. In accordance with SBB's articles of association, the Board shall, to the extent it is elected by the general meeting, consist of at least three but not more than 10 members and no deputies.

According to the Code, the chairman of the Board is to be elected by the general meeting. The chairman's main role is to lead the work of the Board and to ensure that the Board carries out its work efficiently.

The Board applies written rules of procedure, which are revised annually and adopted by the inaugural Board meeting every year. Among other things, the rules of procedure govern the practice and functions of the Board as well as the division of work between the members of the Board and the CEO. At the inaugural Board meeting, the Board also adopts instructions for the CEO, including instructions for financial reporting.

The Board meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to handle issues that cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the Board and the CEO continuously discuss the management of SBB.

Currently, the Board consists of seven ordinary members elected by the general meeting. See "*—Board*" and "*—Executive Management Team*" for further details.

Audit committee

In a Swedish limited liability company, the transferable securities of which are admitted to trading on a regulated marketplace, the board of directors shall have an audit committee. The members of the committee may not be employees of the company, at least one member must be independent and have accounting or auditing proficiency and the committee shall appoint one of its members as chairperson.

The audit committee works according to an annual agenda and its task is to monitor the company's financial reporting and the effectiveness of the company's internal control and risk management. The audit committee also keeps itself informed of the audit of the annual accounts and consolidated accounts. The committee shall also review and monitor the auditor's independence and impartiality and in particular follow up if the auditor provides the company with services other than auditing services. The committee also supports proposals for the AGM's decision on the election of auditors.

SBB has an audit committee consisting of six members: Lennart Schuss (chairman), Sven-Olof Johansson, Hans Runesten, Eva Swartz Grimaldi, Anne-Grete Strøm-Erichsen and Fredrik Svensson.

Remuneration committee

The remuneration committee shall prepare matters regarding remuneration principles for the CEO and other senior executives as well as individual remuneration to the CEO in accordance with the remuneration principles. The principles include, among other things, the relationship between fixed and possible variable remuneration and the correlation between performance and remuneration, main conditions for any bonus and incentive program, as well as the main conditions for non-monetary benefits, pension, termination and severance pay. The CEO also applies to the board to determine remuneration and other terms of employment. However, share-related incentive programs for management are decided by the annual general meeting.

The committee shall further assist the board in monitoring the system by which the company complies with the law, stock exchange rules and the Code governing the disclosure of information relating to remuneration to the CEO and other senior executives, and to monitor and evaluate any ongoing and completed programs for the year, variable remuneration for the CEO and other senior executives, the application of the guidelines for remuneration to the CEO and other senior executives that the annual general meeting resolves by law, as well as applicable remuneration structures and remuneration levels.

SBB has a remuneration committee consisting of two members: Eva Swartz Grimaldi (chairman) and Lennart Schuss.

Sustainability committee

The sustainability committee is responsible for reviewing and monitoring the continuity and progress of SBB's sustainability goals, the management of sustainability risks and the compliance with the sustainability policy and the code of conduct.

SBB has a sustainability committee consisting of three members: Sven-Olof Johansson (chairman), Eva Swartz Grimaldi and Mats Andersson (external member). Mats Andersson previously CEO of the Fourth Swedish National Pension Fund (AP4) and a pioneer in sustainable investing.

The CEO and other executive management

The CEO is subordinated to the Board and is responsible for the everyday management and operations of SBB. The division of work between the Board and the CEO is set out in the rules of procedure for the Board and the CEO's instructions. The CEO is responsible for preparing reports and compiling information for board meetings and for presenting such materials at board meetings.

According to the instructions for financial reporting, the CEO is responsible for SBB's financial reporting and consequently must ensure that the Board receives adequate information to be able to evaluate SBB's financial condition.

The CEO must continuously keep the Board informed of: developments in SBB's operations; SBB's sales development, results and financial condition, liquidity and credit status; any important business events; and all other events, circumstances or conditions that may be of significance to SBB's shareholders.

For details on the CEO and executive management, see "*— Board*", "*— Executive Management Team*" and "*— Other Information on the Board and the Executive Management Team*".

12.6 Remuneration of the members of the board, CEO and executive management

Remuneration payable to the members of the Board

Fees and other remuneration payable to the members of the Board, including the chairman, are determined by the general meeting. At the annual general meeting held on 27 April 2020, it was resolved that the fee payable to the chairman of the Board should be SEK 450,000 and that the fee payable to the other members should be SEK 300,000 each. Further, the fee payable to each of the members of the remuneration committee should be SEK 20,000. The members of the Board are not entitled to any benefits following termination of their assignments as directors.

Remuneration to the Board during the 2019 financial year

The table below presents an overview of remuneration payable to the previous and present members of the Board elected by the general meeting for the 2018 financial year.

(All amounts in SEK thousand)

Name	Remuneration	Variable compensation	Pension cost	Other remuneration	Total
Chairman of the board					
Lennart Schuss	480	–	–	–	480
Board member					
Ilija Batljan	300	–	–	–	300
Sven-Olof Johansson	300	–	–	–	300
Fredrik Svensson	300	–	–	–	300
Hans Runesten	300	–	–	–	300
Eva Swartz Grimaldi	330	–	–	–	330
Anne-Grete Strøm-Erichsen	300	–	–	–	300
Total	2,310	–	–	–	2,310

Guidelines for remuneration payable to the Board, the CEO and the deputy CEOs

The annual general meeting to be held in 2021 will resolve upon guidelines for remuneration to the Board of Directors, the CEO and the deputy CEOs. The guidelines will not cover, for example, remuneration fees and other compensation for board assignments. Other remuneration to the members of the Board of Directors, such as salary, will however be covered by the guidelines.

Current employment agreements for the CEO and other executive management

Decisions as to the current remuneration levels and other conditions of employment for the CEO and the other members of executive management have been determined by the Board.

The table below presents an overview of remuneration to the CEO and other members of executive management for the 2019 financial year.

(All amounts in SEK thousand)

Name	Remuneration	Variable compensation	Pension cost	Other remuneration	Total
Ilija Batljan, Chief Executive Officer	3,912	–	978	–	4,139
Other members of executive management (6 persons)	7,840	–	1,607	–	8,468
Total	11,752	–	2,167	–	12,607

The CEO, Ilija Batljan, is entitled to pension provisions corresponding to 30 percent of his salary. Other members of executive management are entitled to pension provisions corresponding to 4.5 percent on wage shares, up to 7.5 base income amounts (SEK 66,800 per month during 2020) and 30 percent on wage share exceeding 7.5 base income amounts.

In circumstances where a member of executive management gives notice to SBB, they are subject to a three month notice period and in circumstances where SBB gives notice to the CEO, the CEO is subject to a three to six month notice period. However, a notice period of six months applies to the CEO, also when the CEO gives notice. In the event where SBB gives notice, the CEO is entitled to a severance pay corresponding to 12 months' salary. The other members of the executive management are not entitled to a severance payment.

12.7 Internal control

SBB's internal control over financial reporting is designed to manage risks and ensure high reliability in the processes regarding the preparation of the financial reports and to ensure that applicable accounting requirements and other requirements for SBB, as a listed company, are complied with. The Board is responsible for the internal control of SBB regarding financial reporting. SBB follows the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework to evaluate a company's internal control of financial reporting, entitled the "Internal Control - Integrated Framework", which consists of the following five components: (i) control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication and (v) follow-up.

Control environment

Distribution and delegation of responsibility have been documented and communicated in several internal documents governing the board and SBB, for example: (i) the board's rules of procedure, (ii) the instructions to the CEO, (iii) the delegation scheme, (iii) the certification scheme and (iv) other internal control documents (e.g., financial manual). All internal control documents are regularly updated when changes are made to, for example, legislation, accounting standards or listing requirements and when otherwise needed.

Risk assessment

In accordance with the rules of procedure, the Board, as well as the audit committee, reviews SBB's internal control once a year. Risks are identified and assessed and measures are implemented to reduce identified risks. The auditor is invited to report on his/her internal control report at a board meeting and to the audit committee. The significant risks identified by SBB are errors in accounting and valuation of properties, credit risks, refinancing risks, interest rate risks, tax and value added tax ("VAT"), and the risk of fraud, loss or misappropriation of assets.

Control activities

SBB's financial system is structured such that the conclusion of agreements, payment of invoices and other similar actions must comply with certain decision paths, signatory powers and authorisations set out in the internal control documents. There is therefore a basic control structure to counteract and prevent the risks that SBB has identified. In addition to these control structures, a number of control activities are carried out to detect and correct errors in and deviations from, such control structures. These control activities consist of follow-up at various levels in the organisation, such as follow-up and reconciliation of the resolutions made by the Board, review and comparison of profit items, account reconciliations, approval and reporting of business transactions with the finance department.

Information and communication

SBB has built up an organisation to ensure that its financial reporting is correct and effective. The internal control documents specify who is responsible for what and daily interaction between relevant people ensures that the relevant information reaches all parties concerned. SBB's management regularly receives financial information concerning SBB and its subsidiaries and the development of letting and other management and reviews and follows up on ongoing and future investments and liquidity planning. The Board is informed by SBB's management team in relation to risk management, internal control and financial reporting. SBB's information policy ensures that all information provided externally and internally reaches the appropriate person at the appropriate time. All employees at SBB have been

involved in influencing the design of relevant internal policies and guidelines by means of a review process and have thus been directly involved in the preparation of these internal control documents.

Evaluation follow-up

As explained above, a continuous internal control process takes place on an ongoing basis at all levels of the organisation. The board regularly evaluates the information provided by SBB's management and its auditors. In addition, SBB's auditor reports its observations from the audit and its assessment of SBB's internal control directly to the Board. In particular, the board monitors the development of internal controls to ensure that action is taken in relation to any deficiencies that may emerge.

Auditing

The auditor shall review SBB's annual reports and accounting, as well as the management of the Board and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the annual general meeting.

Pursuant to SBB's articles of association, SBB shall have no fewer than one and not more than two auditors and not more than two deputy auditors. SBB's auditor is Ernst & Young Aktiebolag, with Mikael Ikonen as auditor in charge. See "—External auditor" for further details on SBB auditor.

In 2019, the total remuneration payable to SBB's auditor amounted to SEK 17 million.

12.8 Shares and share capital

12.8.1 Share information

Pursuant to SBB's articles of association, SBB's share capital may not be less than SEK 70 million or more than SEK 280 million, and the number of shares may not be fewer than 700,000,000 or more than 2,800,000,000. As of the date of this Offer Document, SBB has issued 1,509,394,951 shares, of which 209,977,491 are Class A common shares, 1,119,504,867 are Class B common shares, 179,881,880 are Class D common shares and 30,713 are preference shares. SBB's share capital amounts to SEK 150,939,495.10. The shares are denominated in SEK and the quota value of each share is SEK 0.10. All shares in SBB have been issued pursuant to Swedish law. All issued shares have been fully paid and are freely transferrable.

The Class B and D common shares, which are listed on Nasdaq Stockholm, and the preference shares, which are listed on Nasdaq First North Premier Growth Market, are not subject to a mandatory offer, or an offer due to redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year.

SBB's shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is managed by Euroclear Sweden, Box 191, SE-101 23 Stockholm. No share certificates have been issued for SBB's shares. The account operator is Mangold Fondkommission. The ISIN code for the Class B common shares is SE0009554454, the ISIN code for the Class D common shares is SE0011844091 and the ISIN code for SBB's preference shares is SE0009580715.

12.8.2 Certain rights attached to the shares

The rights associated with the shares issued by SBB, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act.

Voting rights

SBB can issue shares in four classes: Class A common shares, Class B common shares, Class D common shares and preference shares.

Each Class A common share entitles the holder to one vote at general meetings, whilst each Class B and Class D common shares and preference shares entitles the holder to one-tenth of a vote at general meetings. Each shareholder has the right to vote for all of the shares that the shareholder holds in SBB.

Preferential rights attached to new shares

Where the company resolves to issue new shares by way of a cash issue or a set-off issue, holders of common shares and preference shares shall be entitled to pre-emption rights to one new share of the same class pro rata to the number of shares previously owned by the holder ("primary pre-emption rights"). Shares that are not subscribed for pursuant

to primary pre-emption rights shall be offered to all shareholders for subscription ("subsidiary pre-emption rights"). Unless shares offered in such manner are sufficient for the subscription that takes place pursuant to subsidiary pre-emption rights, the shares shall be allotted among the subscribers pro rata to the total number of shares previously owned irrespective of their shares being common shares or preference shares. Where this is not possible with respect to a particular share(s), shares shall be allotted through the drawing of lots.

Where SBB resolves to issue only Class A, Class B, Class D common shares or preference shares by way of a cash issue or set-off issue, all of the shareholders, irrespective of their shares being common shares or preference shares, shall hold pre-emption rights to subscribe for new shares pro rata to the number of shares previously owned.

Where SBB resolves to issue warrants or convertible debentures by way of a cash issue or set-off issue, all of the shareholders shall hold pre-emption rights to subscribe for warrants, as if the issue referred to the shares that may be subscribed for following the exercise of the warrants, and pre-emption rights to subscribe for convertible debentures, as if the issue referred to the shares that the convertible debentures may be converted to, respectively.

The provisions above shall not entail any restrictions on the possibility for SBB to adopt a resolution regarding a cash issue or set-off issue without regard to shareholders' pre-emption rights.

Upon an increase in the share capital by way of a bonus issue, only Class A common shares and Class B common shares may be issued. In relation thereto, only holders of Class A common shares and Class B common shares shall have pre-emption rights to new common shares at which old shares of Class A common shares and Class B common shares respectively shall entitle to new shares of the same class. The aforementioned shall not entail any restrictions on the possibility for SBB to issue shares of a new class through a bonus issue, following any necessary amendments to the articles of association.

Right to dividends and balances in case of liquidation

If SBB is dissolved, the preference shares will entail preferential rights over common shares to SBB's assets in an amount corresponding to the amount received if the shares were to have been redeemed as per the articles of association before any distributions are made to owners of common shares. Upon dissolution of SBB, all common shares will have the same right to distribution of SBB's assets. However, Class D common shares will be entitled to no more than SEK 31 per share.

Resolutions regarding dividends are passed by general meetings. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the general meeting shall be entitled to receive dividends. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid out in a manner other than cash ("**in-kind dividend**"). If shareholders cannot be reached through Euroclear Sweden, such shareholder still retains its claim on SBB to the dividend amount, subject to a statutory limitation period of 10 years. Upon the expiry of the period of limitations, the dividend amount shall pass to SBB.

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax, see "Taxation—Certain Tax Considerations in Sweden".

If the general meeting resolves on profit distribution, the preference shares have priority over common shares in accordance with the below stated.

Common share profit distribution

All common shares shall have the same rights to dividend without preferential rights in relation to each other.

If any dividend is declared, the following shall apply:

- Class D common shares are entitled to five times the total dividend on Class A and Class B common shares; however, no more than SEK 2 per share and year.
- If the dividend on Class D common shares is less than SEK 2, the maximum permitted dividend of SEK 2 shall be increased so that the shortfall of up to SEK 2 per year may be distributed later if sufficient dividends on common shares are declared subsequently, whereupon the maximum permitted dividend shall once again be SEK 2.

- Disbursement of any dividends relating to Class A and Class B common shares shall be made in a single instalment or in four equal instalments, in which case the record dates for payment of dividends shall be the last business day in June, September, December and March.
- Disbursement of any dividends relating to Class D common shares shall be made in four equal instalments. Record dates for payment of dividends shall be the last business day in June, September, December and March, with the first record date for payment of dividends relating to Class D common shares the last business day in March.

Preference share profit distribution

Preference shares shall give preferential rights over common shares to an annual distribution of dividends per preferential share of SEK 35 (the "**Preference Share Distribution**"), with quarterly payments of SEK 8.75 per preference share, with payment dates as per below.

The payment of profit dividend for preference shares shall be made quarterly in arrears in SEK, with a quarter of the Preference Share Distribution being paid at each payment date. The payment dates for the payment of dividends shall be on 10 January, 10 April, 10 July and 10 October. In the event that such date is not a banking day, the payment date shall be the previous banking day. "Banking day" refers to a day which is not a Sunday, other public holiday or a day which, when paying for debentures, is equivalent to a public holiday (such equivalent days are, at the time SBB's articles of association were adopted, Saturday, Midsummer Eve, Christmas Eve and New Year's Eve).

If no dividend has been paid to preference shares, or if only dividends less than the Preference Share Distribution has been paid, the holders of preference shares shall be entitled to, in addition to a future Preference Share Distribution, receive an amount, evenly distributed on each preference share, corresponding to the difference between what should have been paid as above and the actually paid amount (the "**Outstanding Sum**"), before dividends to holders of common shares may occur. The Outstanding Sum will be indexed with an annual interest rate of 10 percent accrued. Indexation shall start with the quarter when the part of the dividend was paid (or should have been paid, if no dividend at all was paid). The distribution of the Outstanding Sum also requires a decision on distribution of profits from the general meeting of shareholders.

If the number of preference shares is changed by way of reverse share split, share split or other similar corporate actions, the amounts to which the preference share is entitled shall be recalculated to reflect this change.

The holders of preference shares shall otherwise not be entitled to any distribution of dividends or liquidation proceeds.

Share conversion and redemption

A reduction of the share capital, provided it is not below the minimum amount, may be made by way of the redemption of a certain number or all preference shares subsequent to an ordinary resolution by the general meeting of shareholders, in accordance with SBB's articles of association. Class A common shares shall, upon request by the owner of such shares, be converted to Class B common shares. Preference shares shall, upon request by the owner of such shares, in accordance with the articles of association, be converted to Class D common shares.

Information regarding mandatory bids and redemption of minority shares

Pursuant to the Swedish Takeovers Act (2006:451) and any person who does not hold any shares, or hold shares representing less than three tenths of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market (the "**Target Company**"), and who through the acquisition of shares in the Target Company, alone or together with a closely related party, holds shares representing three tenths or more of the voting rights for all of the shares in the Target Company is obliged to immediately disclose the size of his holding in the Target Company and, within four weeks thereafter, make an offer to acquire the remaining shares in the Target Company (mandatory offer requirement).

A shareholder who personally, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company has the right to redeem the rest of the shares in the company. The owners of the rest of the shares have a corresponding right to have their shares redeemed by the majority shareholder. The formal procedure for the redemption of minority shares is regulated in the Swedish Companies Act.

12.9 Warrants and convertibles, etc.

As of the day of this Offer Document there are 2,750 outstanding convertibles, with a binding right to be converted to Class B common shares. Upon conversion, the convertibles will result in an increase of the outstanding B-shares with at most 111,788,617 Class B common shares, based on the lowest conversion price. This corresponds to a dilution for the

existing shareholders of SBB of approximately 6.9 percent of the total shares and approximately 3.2 percent of the total voting rights in SBB.

As of the date of this Offer Document there are, except for what is stated above, no warrants, convertibles or other share-related financial instruments in SBB.

12.10 Share capital history

The table below shows historical changes in SBB's share capital since the formation of the legal entity on 1 September 2014 to and including the date of this Offer Document. Since 2016, SBB has operated under the company name Samhällsbyggnadsbolaget i Norden AB (publ).

Time	Event	Change in number of A shares	Change in number of B shares	Change in number of D shares	Change in total number of shares	Total number of A shares	Total number of B shares	Total number of D shares	Total number of preference shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)
04-09-2014	Formation of SBB ¹	-	50,000	-	50,000	-	50,000	-	-	50,000	50,000.00	50,000.00
16-10-2014	New issue ²	-	4,664,596	-	4,664,596	-	5,164,596	-	-	5,164,596	466,459.60	516,459.60
23-03-2015	New issue ³	-	2,065,838	-	2,065,838	-	7,230,434	-	-	7,230,434	206,583.80	723,043.40
03-04-2017	Set-off issue ⁴	123,136,919	139,659,612	-	262,796,531	123,136,919	146,890,046	-	-	270,026,965	26,279,653.10	27,002,696.50
03-04-2017	New issue	31,281,831	39,880,742	-	71,162,573	154,418,750	186,770,788	-	-	341,189,538	7,116,257.30	34,118,953.80
03-04-2017	Issue in kind ⁵	-	66,267,458	-	66,267,458	154,418,750	253,038,246	-	22,400	407,479,396	6,628,985.80	40,747,939.60
03-04-2017	Issue in kind ⁶	-	74,626,339	-	74,626,339	154,418,750	327,664,585	-	25,600	482,108,935	7,462,953.90	48,210,893.50
03-04-2017	Issue in kind ⁷	-	69,619,037	-	69,619,037	154,418,750	397,283,622	-	97,100	551,799,472	6,969,053.70	55,179,947.20
03-04-2017	Issue in kind ⁸	62,860,746	8,559,931	-	71,420,677	217,279,496	405,843,553	-	97,100	623,220,149	7,142,067.70	62,322,014.90
03-04-2017	Set-off issue ⁹	-	84,929,772	-	84,929,772	217,279,496	490,773,325	-	97,100	708,149,921	8,492,977.20	70,814,992.10
24-04-2017	Set-off issue ¹⁰	317,479	183,185	-	500,664	217,596,975	490,956,510	-	97,100	708,650,585	50,066.40	70,865,058.50
25-04-2017	Issue in kind ¹¹	-	-	-	6,400	217,596,975	490,956,510	-	103,500	708,656,985	640	70,865,698.50
25-04-2017	Issue in kind ¹²	-	61,067	-	61,067	217,596,975	491,017,577	-	103,500	708,718,052	6,106.70	70,871,805.20
05-05-2017	Set-off issue ¹³	-	26,666,667	-	26,666,667	217,596,975	517,684,244	-	103,500	735,384,719	2,666,666.70	73,538,471.90
08-08-2017	Issue in kind ¹⁴	-	2,523,472	-	2,523,472	217,596,975	520,207,716	-	260,608	738,065,299	268,058	73,806,529.90
23-08-2017	Issue in kind ¹⁵	-	144,340	-	144,340	217,596,975	520,352,056	-	299,170	738,248,201	18,290.20	73,824,820.10
20-12-2017	Issue in kind ¹⁶	-	-	-	34,035	217,596,975	520,352,056	-	333,205	738,282,236	3,403.50	73,828,223.60
21-08-2018	Conversion	7,619,484	7,619,484	-	0	209,977,491	527,971,540	-	333,205	738,282,236	0.00	73,828,223.60
19-10-2018	Set-off issue ¹⁷	-	600,000	-	600,000	209,977,491	528,571,540	-	333,205	738,882,236	60,000.00	73,888,223.60
19-10-2018	New issue ¹⁸	-	17,500,000	-	17,500,000	209,977,491	546,071,540	-	333,205	756,382,236	1,750,000.00	75,638,223.60
12-12-2018	Reduction and set-off issue ¹⁹	-	-	3,159,080	-157,954	3,001,126	546,071,540	3,159,080	175,251	759,383,362	300,112.60	75,938,336.20
14-12-2018	Issue in kind ²⁰	-	-	6,376,342	-	6,376,342	546,071,540	9,535,422	175,251	765,759,704	637,634.20	76,575,970.40
21-12-2018	Issue in kind ²¹	-	-	1,682,903	-	1,682,903	546,071,540	11,218,325	175,251	767,442,607	168,290.30	76,744,260.70
21-12-2018	New issue	-	-	6,451,612	-	6,451,612	546,071,540	17,669,937	175,251	773,894,219	645,161.20	77,389,421.90
27-12-2018	New issue	-	-	7,258,065	-	7,258,065	546,071,540	24,928,002	175,251	781,152,284	725,806.50	78,115,228.40
27-12-2018	New issue	-	-	1,650,000	-	1,650,000	546,071,540	26,578,002	175,251	782,802,284	165,000.00	78,280,228.40
27-12-2018	New issue	-	-	4,838,710	-	4,838,710	546,071,540	31,416,712	175,251	787,640,994	483,871.00	78,764,099.40
28-12-2018	New issue	-	-	10,209,678	-	10,209,678	546,071,540	41,626,390	175,251	797,850,672	1,020,967.80	79,785,067.20
14-01-2019	New issue	-	-	4,064,516	-	4,064,516	546,071,540	45,690,906	175,251	801,915,188	406,451.60	80,191,518.80
04-04-2019	New issue	-	-	2,741,936	-	2,741,936	546,071,540	48,432,842	175,251	804,657,124	274,193.60	80,465,712.40
04-04-2019	New issue	-	-	1,612,903	-	1,612,903	546,071,540	50,045,745	175,251	806,270,027	161,290.30	80,627,002.70
05-04-2019	New issue	-	-	13,042,574	-	13,042,574	546,071,540	63,088,319	175,251	819,312,601	1,304,257.40	81,931,260.10

Time	Event	Change in number of A shares	Change in number of B shares	Change in number of D shares	Change in number of preference shares	Change in total number of shares	Total number of A shares	Total number of B shares	Total number of D shares	Total number of preference shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)
30-04-2019	New issue	–	–	4,838,710	–	13,042,574	209,977,491	546,071,540	67,927,029	175,251	824,151,311	483,871.00	82,415,131.10
06-05-2019	Set-off issue ²²	–	–	697,113	–	697,113	209,977,491	546,071,540	68,624,142	175,251	824,848,424	69,711.30	82,484,842.40
11-06-2019	Set-off issue ²³	–	–	4,774,194	–	4,774,194	209,977,491	546,071,540	73,398,336	175,251	829,622,618	477,419.40	82,962,261.80
04-07-2019	Set-off issue ²⁴	–	–	209,134	–	209,134	209,977,491	546,071,540	73,607,470	175,251	829,831,752	20,913.40	82,983,175.20
20-08-2019	Reduction and set-off issue ²⁵	–	–	2,780,600	-139,030	2,641,570	209,977,491	546,071,540	76,388,070	36,221	832,473,322	264,157.00	83,247,332.20
09-09-2019	Reduction and set-off issue ²⁶	–	–	110,160	5,508	104,652	209,977,491	546,071,540	76,498,230	30,713	832,577,974	10,465.20	83,257,797.40
05-11-2019	New Issue	–	18,181,819	–	–	18,181,819	209,977,491	564,253,359	76,498,230	30,713	832,577,974	1,818,181.90	85,075,979.30
16-12-2019	New Issue	–	57,907,534	–	–	57,907,534	209,977,491	622,160,893	76,498,230	30,713	908,667,327	5,790,753.40	90,866,732.70
23-12-2019	New Issue	–	7,535,527	–	–	7,535,527	209,977,491	629,696,420	76,498,230	30,713	916,202,854	753,552.70	91,620,285.40
30-12-2019	Issue in kind ²⁷	–	400,852,676	27,927,129	–	428,779,805	209,977,491	1,030,549,096	104,425,359	30,713	1,344,982,659	42,877,980.50	134,498,265.90
14-01-2020	Issue in kind ²⁸	–	9,782,909	773,778	–	10,556,687	209,977,491	1,040,332,005	105,199,137	30,713	1,355,539,346	1,055,668.70	135,553,934.60
20-01-2020	Issue in kind ²⁹	–	6,910,394	953,874	–	7,864,268	209,977,491	1,047,242,399	106,153,011	30,713	1,363,403,614	786,426.80	136,340,361.40
30-01-2020	Issue in kind ³⁰	–	647,364	–	–	647,364	209,977,491	1,047,889,763	106,153,011	30,713	1,364,050,978	64,736.40	136,405,097.80
04-02-2020	Issue in kind ³¹	–	3,650,061	366,940	–	4,017,001	209,977,491	1,051,539,824	106,519,951	30,713	1,368,067,979	401,700.10	136,806,797.90
26-02-2020	Set-off issue ³²	–	6,575,281	–	–	6,575,281	209,977,491	1,058,115,105	106,519,951	30,713	1,374,643,260	657,528.10	137,464,326
17-07-2020	New Issue	–	–	21,303,990	–	21,303,990	209,977,491	1,058,115,105	127,823,941	30,713	1,395,947,250	2,130,399	139,594,725
01-09-2020	Set-off issue ³³	–	–	44,197,779	–	44,197,779	209,977,491	1,058,115,105	172,021,720	30,713	1,440,145,029	4,419,777.90	144,014,502.90
13-10-2020	Exercise of warrants ³⁴	–	14,108,000	–	–	14,108,000	209,977,491	1,072,223,105	172,021,720	30,713	1,454,253,029	1,410,800	145,425,302.90
03-11-2020	Exercise of warrants ³⁵	–	2,748,000	–	–	2,748,000	209,977,491	1,074,971,105	172,021,720	30,713	1,457,001,029	274,800	145,700,102.90
18-12-2020	Set-off issue ³⁶	–	44,533,762	–	–	44,533,762	209,977,491	1,119,504,867	172,021,720	30,713	1,501,534,791	4,453,376.20	150,153,479.10
29-12-2020	Set-off issue ³⁷	–	–	7,860,160	–	7,860,160	209,977,491	1,119,504,867	179,881,880	30,713	1,509,394,951	786,016	150,939,495.10

1 Issue completed during the previous business conducted under the company name Efnnetplattformen AB (publ).

2 Issue completed during the previous business conducted under the company name Efnnetplattformen AB (publ).

3 Issue completed during the previous business conducted under the company name Efnnetplattformen AB (publ).

4 The set-off issue amounted to a total value of SEK 1,534,731,741.04, corresponding to approx. SEK 5.84 per share in SBB.

5 Assets contributed in kind was shares of a total value of SEK 359,104,209, corresponding to approx. SEK 5.41 per share in SBB.

6 Assets contributed in kind was shares of a total value of SEK 437,595,624, corresponding to approx. SEK 5.86 per share in SBB.

7 Assets contributed in kind was shares of a total value of SEK 401,249,999, corresponding to approx. SEK 5.76 per share in SBB.

8 Assets contributed in kind was shares of a total value of SEK 417,096,763, corresponding to approx. SEK 5.84 per share in SBB.

9 The set-off issue amounted to a total value of SEK 488,730,000, corresponding to approx. SEK 5.75 per share in SBB.

10 The set-off issue amounted to a total value of SEK 2,823,877.76, corresponding to approx. SEK 5.64 per share in SBB.

11 Assets contributed in kind was shares of a total value of SEK 3,555,520, corresponding to approx. SEK 555.55 per share in SBB.

12 Assets contributed in kind was shares of a total value of SEK 356,631, corresponding to approx. SEK 5.84 per share in SBB.

13 The set-off issue amounted to a total value of SEK 160,000,000, corresponding to approx. SEK 6 per share in SBB.

14 Assets contributed in kind was shares of a total value of SEK 93,370,793, corresponding to approx. SEK 34.83 per share in SBB.

15 Assets contributed in kind was shares of a total value of SEK 20,141,643, corresponding to approx. SEK 110.12 per share in SBB.

16 Assets contributed in kind was shares of a total value of SEK 17,068,552.50, corresponding to approx. SEK 501.50 per share in SBB.

17 The set-off issue amounted to a total value of SEK 7.32 million, corresponding to approx. SEK 12.2 per B share in SBB.

18 Issue of 17,500,000 B shares by usage of 17,500,000 warrants at a subscription price of SEK 7.30.

19 Payment for reduced preference shares amounted to a total value of SEK 97,931,480, corresponding to approx. SEK 620 per preference share in SBB. The set-off payment amounted to a total value of SEK 97,931,480, corresponding to approx. SEK 31 per D share in SBB.

20 Assets contributed in kind was shares of a total value of SEK 197,666,602 SEK, corresponding to approx. SEK 31 SEK per D share in SBB.

21 Assets contributed in kind was shares of a total value of SEK 53,100,000 SEK, corresponding to approx. SEK 31.55 SEK per D share in SBB.

22 The set-off payment amounted to a total value of SEK 21,610,505, corresponding to approx. SEK 31 per D share in SBB.

23 The set-off payment amounted to a total value of SEK 148,000,014, corresponding to approx. SEK 31 per D share in SBB.

24 The set-off payment amounted to a total value of SEK 6,483,154, corresponding to approx. SEK 31 per D share in SBB.

25 Payment for reduced preference shares amounted to a total value of SEK 89,535,320, corresponding to SEK 644 per preference share in SBB. The set-off payment amounted to a total value of SEK 89,535,320, corresponding to SEK 32.2 per D share in SBB.

Time	Event	Change in number of A shares	Change in number of B shares	Change in number of D shares	Change in number of preference shares	Change in total number of shares	Total number of A shares	Total number of B shares	Total number of D shares	Total number of preference shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)
26	Payment for reduced preference shares amounted to a total value of SEK 3,547,152, corresponding to SEK 644 per preference share in SBB. The set-off payment amounted to a total value of SEK3,547,152, corresponding to SEK 32,2 per D share in SBB.												
27	Assets contributed in kind was shares of a total value of SEK 10,613.093.327.56, corresponding to approx. SEK 24.0533 per Class B share and approx. 34.7785 per Class D share in SBB.												
28	Assets contributed in kind was shares of a total value of SEK 250,169,224.57, corresponding to approx. SEK 22.7849 per Class B share and approx. 35.28383 per Class D share in SBB.												
29	Assets contributed in kind was shares of a total value of SEK 189,742,697, corresponding to approx. SEK 22.5792 per Class B share and approx. 35.3417 per Class D share in SBB.												
30	Assets contributed in kind was shares of a total value of SEK 14,616,961.23, corresponding to approx. SEK 22.5792 per Class B share in SBB.												
31	Assets contributed in kind was shares of a total value of SEK 97,678,336.67, corresponding to approx. SEK 23.2238 per Class B share and approx. 35.1830 per Class D share in SBB.												
32	The set-off issue amounted to a total value of SEK 196,666,654.71, corresponding to approx. SEK 29.91 per Class B share in SBB.												
33	The set-off issue amounted to a total value of SEK 1,370,131,149, corresponding to SEK 31 per Class D share in SBB.												
34	14,108,000 warrants were exercised to a subscription of 14,108,000 Class B common shares at a subscription price of 7.93 per Class B share in SBB.												
35	2,748,000 warrants were exercised to a subscription of 2,748,000 Class B common shares at a subscription price of 7.93 per Class B share in SBB.												
36	The set-off issue amounted to a total value of SEK 1,384,999,998.20, corresponding to SEK 31.10 per Class B share in SBB.												
37	The set-off issue amounted to a total value of SEK 243,664,960, corresponding to SEK 31 per Class D share in SBB.												

12.11 Ownership structure

Insofar as it is known to SBB, the following persons have direct or indirect holdings amounting to five percent or more of the shares or voting rights in respect of SBB as of the day of this Offer Document. Insofar as it is known to SBB, SBB is not directly or indirectly controlled by any singular person.

Further, insofar as it is known to SBB, the following board members and members of executive management, have direct or indirect holdings (including holdings by any related parties) of the shares or voting rights in respect of SBB as of the day of this Offer Document.

Shareholder	Shares				Percent	
	A	B	D	Preference	of capital	of votes
Shareholders with holdings that exceed 5 percent of the shares or the votes						
Ilija Batljan	109,053,868	18,652,874	530,000	-	8.5%	32.6%
AB Arvid Svensson	41,809,742	23,868,281	-	-	4.4%	13.0%
Dragfast AB	36,163,467	57,612,502	-	-	6.2%	12.3%
Sven-Olof Johansson	22,315,456	30,081,315	-	-	3.5%	7.4%
Länsförsäkringar Fonder	-	88,659,217	-	-	5.9%	2.6%
Board members and members of executive management holdings (including holdings by any related parties)						
Ilija Batljan	See above					
Sven-Olof Johansson	See above					
Fredrik Svensson	See above under AB Arvid Svensson					
Lennart Schuss	-	20,253,334	380,000	-	1.4%	0.6%
Hans Runesten	-	5,200,258	-	-	0.3%	0.2%
Eva Swartz Grimaldi	-	932,138	-	-	0.1%	0.0%
Lars Thagesson	-	10,636,771	520,000	-	0.7%	0.3%
Krister Karlsson	-	5,103,589	560	-	0.3%	0.2%
Rosel Ragnarsson	-	770,802	-	-	0.1%	0.0%
Eva-Lotta Stridh	317,479	524,422	-	-	0.1%	0.1%
Oscar Lekander	-	7,591,003	275,500	-	0.5%	0.2%
Annika Ekström	-	83,179	-	-	0.0%	0.0%
Other owners	317,479	849,535,182	178,175,820	30,713	68.1%	30.3%
Total	209,977,491	1,119,504,867	179,881,880	30,713	100.0%	100.0%

12.12 Issue authorisation

The annual general meeting held on 27 April 2020 resolved to authorise the Board to issue, up to the next annual general meeting, in one of more issuances, with or without pre-emptive rights for existing shareholders, new shares of all different classes of shares listed in SBB's articles of association, as well as warrants and/or convertibles with a right to

subscribe for/convert to all classes of shares in SBB's articles of association. Such issue resolution may be made with a provision entailing that payment shall be made in cash and/or in kind and/or through offsetting and/or via other terms and conditions. The total number of common shares and/or preference shares, warrants or convertibles that may be issued on the basis of the authorisation shall not be limited other than by the current articles of association's limits regarding share capital and number of shares.

The purpose of the authorisation and the reason for the deviation from the shareholders' pre-emptive rights (if applicable) is to enable the acquisition of capital for expansion, acquisitions and for SBB's business.

The issue price shall be determined in accordance with current market conditions.

12.13 Authorisation for the board of directors to resolve upon acquisition and transfer of own shares

The annual general meeting held on 27 April 2020 resolved to authorise the Board of Directors to, during the period until the next annual general meeting, resolve upon acquisition and transfer of SBB's preference shares as well as Class B common shares and Class D, at the Board of Directors' discretion, provided that SBB's preference shares and Class B common shares and Class D have been admitted to trading on Nasdaq Stockholm at the time of the transaction, whereby the following terms shall apply.

- 1 An acquisition of shares in SBB may only be made on Nasdaq Stockholm or through a cash offer to all shareholders in SBB.
- 2 An acquisition may only be made of a number of shares which entails that the number of shares held by SBB at each point in time does not exceed ten (10) percent of all outstanding shares in SBB.
- 3 An acquisition of shares on Nasdaq Stockholm may only be made at a price which falls within the prevailing price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price.
- 4 An acquisition of shares pursuant to a cash offer to all shareholders in SBB may only be made at a price which at the time of the cash offer is not less than the market value of the shares and which does not exceed the market value by more than 30 percent.
- 5 A transfer of shares pursuant to the authorisation may be made in relation to all shares held by SBB at the time of the Board of Directors' resolution.
- 6 A transfer of shares on Nasdaq Stockholm may only be made at a price which falls within the prevailing price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price.
- 7 A transfer of shares may also be made outside Nasdaq Stockholm in connection with acquisitions of companies, with or without deviation from the pre-emptive rights of the shareholders and with or without terms regarding payment in kind or by way of set-off. Such transfer may be made at a price in cash or at a value of the received property corresponding to the share price, at the time of the transfer, of the shares transferred with such deviation as deemed appropriate by the Board of Directors.
- 8 The authorisation may be used on one or several occasions during the period until the annual general meeting for the year 2021.

The purpose of the authorisation for the Board of Directors to resolve upon acquisition of own shares is to allow the Board of Directors a greater flexibility and to enable the Board of Directors to continuously adapt the capital structure of SBB and thereby contribute to an increased shareholder value, as well as to enable the exploitation of attractive acquisition opportunities by financing acquisitions, in whole or in part, with own shares.

The rationale for the possibility to deviate from the shareholders' pre-emptive rights in connection with a transfer of own shares is that such a transfer may be made with greater speed and flexibility, and is more cost-efficient, than a transfer to all shareholders. If SBB's own shares are transferred in exchange for payment in another form than cash in connection with an agreement regarding an acquisition of assets, SBB is not able to give the shareholders the opportunity to exercise any pre-emptive rights.

12.14 Dividend and dividend policy

SBB's dividend policy is to generate a steadily increasing annual dividend. However, the ability of SBB to pay dividends is dependent on a number of factors and dividends will only be paid if the SBB Group's financial targets are maintained.

SBB's preference shares have a preferential right over the common shares to an annual dividend of SEK 35, paid quarterly, per preference share. Holders of the Class D common shares are entitled to five times the total dividend on the Class A and B shares, up to SEK 2 per share per year. See "Risk Factors—Risks related to shares—SBB's ability to pay dividends to its shareholders depends on the SBB Group's financial position, capital costs and other factors and SBB may be unable to pay dividends as a result of dividend limitations in the provisions in the SBB Group's issued bonds".

Dividends paid SBB (SEK)	1 January – 30 June	1 January - 30 June	1 January – 31 December	1 January – 31 December	1 January – 31 December
	2020	2019	2019	2018	2017
Dividends Class A + Class B shares.....	0.15	0.25	0.25	0.10	-
Dividends Class D Shares	1.00	0.50	1.50	-	-
Dividends preference shares	26.25	26.25	35.00	35.00	17.50

13 ARTICLES OF ASSOCIATIONS

Below is an extract, translated into English, from the articles of association of Samhällsbyggnadsbolaget i Norden AB (publ), registration number 556981-7660, adopted at the annual general meeting on 27 April 2020.

§ 1 - BUSINESS NAME

The business name of the company is Samhällsbyggnadsbolaget i Norden AB (publ).

§ 2 - REGISTERED OFFICE OF THE BOARD

The registered office of the board of directors is in the municipality of Stockholm, Stockholm county.

§ 3 - OBJECTS OF THE COMPANY

The company shall, directly or indirectly, own and manage real property and/or shares, along with activities related to such operations.

§ 4 - SHARE CAPITAL

The share capital shall be not less than SEK 70,000,000 and not more than SEK 280,000,000.

§ 5 - SHARES

The number of shares shall be not less than 700,000,000 and not more than 2,800,000,000.

Shares may be issued in four classes, Class A, Class B, Class D and Preference Shares. Shares of Class A, Class B and Class D will hereafter jointly be referred to as Common Shares. Each Class A share entitles the holder to one (1) vote. Each Class B, Class D and Preference Share entitles the holder to one-tenth (1/10) of a vote. Each class of shares may be issued at an amount corresponding to a maximum of 100 percent of the share capital.

Common share profit distribution

All Common Shares shall have the same rights to dividend without preferential rights in relation to each other. If any dividend is declared, the following shall apply:

- Class A and Class B common shares are entitled to the same dividend per share.
- Class D common shares are entitled to five (5) times the total dividend on Class A and Class B common shares, however, no more than SEK two (2) per share and year.

If the dividend on Class D common share is less than SEK two (2), the maximum permitted dividend of SEK two (2) shall be increased so that the shortfall of up to SEK two (2) per year may be distributed later if sufficient dividends on common shares are declared subsequently, whereupon the maximum permitted dividend shall once again be SEK two (2).

Disbursement of dividends relating to Class A and Class B common shares shall be made in a single instalment or in four (4) equal instalments in which case the record dates for payment of dividends shall be the last business day in June, September, December and March.

Disbursement of any dividend relating to Class D common shares shall be made in four (4) equal instalments. Record dates for payment of dividends shall be the last business day in June, September, December and March with the first record date for payment of dividends relating to Class D common shares to be the last business day in March 2019.

Preference share profit distribution

The Preference Shares shall have preferential rights to dividend

If the shareholders meeting resolves on dividend distribution, the Preference Shares shall have preferential rights over the common shares to dividend, as per the below.

Calculation of Preference Share Distribution

Preference Shares shall give preferential rights over common shares to an annual distribution of dividends per preferential share of SEK thirty-five (35) (the "Preference Share Distribution"), with quarterly payments of SEK eight point seventy-five (8.75) per Preference Share, with payment dates as per the below.

Payment of profit dividend

The payment of profit dividend for Preference Shares shall be made quarterly in arrears in SEK, with a quarter of the Preference Share Distribution being paid at each payment date. The payment dates for payment of dividends shall be on 10 January, 10 April, 10 July, and 10 October. If such date is not a banking day, the payment date shall be the previous banking day. "Banking day" refers to a day which is not a Sunday, other public holiday or a day which, when paying for debentures, is equivalent to a public holiday (such equivalent days are at the time for adopting these articles of association Saturday, Midsummer Eve, Christmas Eve and New Year's Eve).

Calculation of Outstanding Sum

If no dividend has been paid to Preference Shares, or if only dividends less than the Preference Share Distribution has been paid, the Preference Shares shall entitle to, in addition to future Preference Share Distribution, also receive an amount, evenly distributed on each Preference Share, corresponding to the difference between what should have been paid as above and the actually paid amount ("**Outstanding Sum**"), before dividends to holders of common shares may occur. The Outstanding Sum will be indexed with an annual interest rate of ten (10) percent accrued. Indexation shall start with the quarter when the part of the dividend was paid (or should have been paid, if no dividend at all was been paid). The distribution of the Outstanding Sum also requires a decision on distribution of profits from the general meeting of shareholders.

Conversion at certain corporate actions

If the number of Preference Shares is changed by way of reverse share split, share split or other similar corporate actions, the amounts to which the Preference Share is entitled shall be recalculated to reflect this change.

Dissolution of the company

If the company is dissolved, the Preference Shares will entail preferential rights over common shares to the company's assets in an amount corresponding to the amount received if the shares would have been redeemed as per below before any distributions are made to owners of common shares.

Upon dissolution of the company, all common shares will have the same right to distribution of the company's assets. However, Class D common shares will be entitled to no more than SEK thirty-one (31) per share.

Other

The Preference Shares shall otherwise not entitle to any distribution of dividends or liquidation proceeds.

Share conversion

Class A common shares shall, upon request by the owner of such shares, be converted to Class B common shares. The conversion request must be submitted in writing to the board of directors and it must state the number of Class A common shares that are to be converted and, if the request does not apply to the holder's entire stock of Class A common shares, which shares the conversion pertains to. The board of directors shall immediately notify the Swedish Companies Registration Office so that the conversion can be registered in the Company Register. The conversion is completed once registration has occurred and is recorded in the CSD register.

Preference shares shall, upon request by an owner of such shares, be converted to Class D common shares. The conversion shall only be possible under the provision that no increase of the permitted dividend related to Class D common shares is effective. The conversion request must be submitted in writing to the board of directors and it must state the number of preference shares that are to be converted to Class D common shares and, if the request does not apply to the entire holding, which preference shares the conversion pertains to. The conversion is completed once registration has occurred and is recorded in the CSD register.

Redemption of Preference Shares

A reduction of the share capital, provided it is not below the minimum amount, may be made by way of redemption of a certain number or all Preference Shares subsequent to a resolution with ordinary majority by the general meeting of shareholders. The distribution of Preference Shares to be redeemed shall be proportional to the number of Preference Shares held by each preference share holder at the time of the resolution of the general meeting on redemption. If the above distribution is not even, the board shall decide on the allocation of excess Preference Shares to be redeemed. However, if the decision is approved by all holders of Preference Shares, the general meeting may decide which Preference Shares will be redeemed. The amount of redemption for each redeemed Preference Share shall be an amount calculated as follows:

- Until 2020-10-05, an amount of SEK 750, together with any Outstanding Sum, plus an amount corresponding to the annual interest rate for the Outstanding Sum due above.
- From 2020-10-05 through 2024-10-05, an amount of SEK 650, together with any Outstanding Sum, plus an amount corresponding to the annual interest rate for the Outstanding Sum due above.
- From 2024-10-05 and for the time thereafter, an amount of SEK 600 together with any Outstanding Sum, plus an amount corresponding to the annual interest rate for the Outstanding Sum above.

From the day when payment of the redemption amount falls due, all calculations of interest shall cease thereafter. However, the amount of redemption for each redeemed preference share shall never be less than the share's quota value.

Shareholder pre-emption rights

Where the company resolves to issue new shares by way of a cash issue or a set-off issue, holders of Common Shares and Preference Shares shall be entitled to pre-emption rights to one new share of the same class pro rata to the number of shares previously owned by the holder ("**primary pre-emption rights**"). Shares that are not subscribed for pursuant to primary pre-emption rights shall be offered to all shareholders for subscription ("**subsidiary pre-emption rights**"). Unless shares offered in such manner are sufficient for the subscription that takes place pursuant to subsidiary pre-emption rights, the shares shall be allotted among the subscribers pro rata to the total number of shares previously owned irrespective of their shares being Common Shares or Preference Shares. Where this is not possible with respect to a particular share(s), shares shall be allotted through drawing of lots.

Where the company resolves to issue only Class A, Class B, Class D Common Shares or Preference Shares by way of a cash issue or set-off issue, all of the shareholders, irrespective of their shares being Common Shares or Preference Shares, shall hold pre-emption rights to subscribe for new shares pro rata to the number of shares previously owned.

Where the company resolves to issue warrants or convertible debentures by way of a cash issue or setoff issue, all of the shareholders shall hold pre-emption rights to subscribe for warrants as if the issue referred to the shares that may be subscribed for following exercise of the warrants and pre-emption rights to subscribe for convertible debentures as if the issue referred to the shares the convertible debentures may be converted to respectively.

The provisions above shall not entail any restrictions on the possibility for the company to adopt a resolution regarding a cash issue or set-off issue without regard to shareholders' pre-emption rights.

Upon an increase in the share capital by way of a bonus issue, only Class A common shares and Class B common shares may be issued.

In relation thereto, only holders of Class A common shares and Class B common shares shall have pre-emption rights to new common shares at which old shares of Class A common shares and Class B common shares respectively shall entitle to new shares of the same class. The aforementioned shall not entail any restrictions on the possibility for the company to issue shares of a new class through a bonus issue, following any necessary amendments to the articles of association.

§ 6 - BOARD OF DIRECTORS AND AUDITORS

The board of directors shall comprise 3-10 members and no deputy members.

The company shall have 1-2 auditors with a maximum of 2 deputy auditor(s).

§ 7 - NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice of a general meeting of shareholders shall be published in Post- och Inrikes Tidningar (the Official Swedish Gazette) as well as on the company's website. The fact that notice has been published shall be advertised in Dagens Nyheter newspaper.

Notice to annual general meetings and notice to extraordinary general meetings, where amendment of the articles of association shall be resolved upon, shall be published not earlier than six weeks and not later than four weeks prior to the general meeting. Notice to other extraordinary general meetings shall be published not earlier than six weeks and not later than three weeks prior to the general meeting.

Shareholders who wish to participate in a general meeting must notify the company of their intention to attend no later than the day stipulated in the notice of the meeting. The latter mentioned day may not fall on a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve and New Year's Eve, nor may it fall earlier than the fifth weekday prior to the meeting.

§ 8 - OPENING OF THE GENERAL MEETING

The chairperson of the board of directors or a person appointed by the board of directors for this purpose opens the general meeting and presides over the proceedings until a chairperson of the meeting is elected.

§ 9 - ANNUAL GENERAL MEETING

The annual general meeting is held each year within 6 months of the end of the fiscal year.

The following matters shall be dealt with at the annual general meeting of shareholders.

1. Election of Chairperson of the Meeting
2. Preparation and approval of voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination of whether the Meeting has been duly convened
6. Presentation of the annual accounts and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group
7. Decisions
 - a) on adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet
 - b) on allocation of the company's profit or loss according to the adopted balance sheet
 - c) on the discharge from liability for Board members and the Managing Director
8. Determination of remuneration for Board members and auditors
9. Election of board of directors and auditing firm or auditors, as well as any deputy auditor(s)
10. Other matters to be addressed at the Meeting in accordance with the Swedish Companies Act or the articles of association.

§ 10 - FISCAL YEAR

The company's fiscal year shall be 1 January-31 December.

§ 11 - RECORD DATE PROVISION

The company's shares shall be registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

14 LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

14.1 General corporate information

The Offeror's registered name is "Samhällsbyggnadsbolaget i Norden AB" and its commercial name is "SBB". SBB's business is conducted in accordance with the Swedish Companies Act. The parent company Samhällsbyggnadsbolaget i Norden AB (publ) (registration number 556981-7660) is a Swedish public limited liability company which was founded on 1 September 2014 and registered with the Swedish Companies Registration Office on 4 September 2014. SBB's registered office is situated in Stockholm and its telephone number is +46 (0) 200 22 72 00. SBB's LEI is 549300HX9MRFY47AH564. SBB's website can be found at <https://corporate.sbbnorden.se/en/>. The content of this website is not incorporated by reference hereto, and does not form a part of this Offer Document.

For a description of SBB's legal structure, see "Business Overview—Organisational Structure".

14.2 Regulatory disclosures

14.2.1.1 Introduction

The information that SBB, during the past 12 months, has announced in accordance with the Market Abuse Regulation (596/2014) ("**MAR**") and that is relevant as of the date of this Offer Document is set forth below.

14.2.1.2 Financial reports

On 19 February 2020, SBB published its year-end report for 2019.

On 27 April 2020, SBB published its interim report for the period January-March 2020.

On 14 July 2020, SBB published its interim report for the period January-June 2020.

On 3 November 2020, SBB published its interim report for the period January-September 2020.

14.2.1.3 Public takeover bid of Entra ASA

On 24 November 2020, SBB announced their intention to launch a voluntary tender offer to acquire Entra ASA to create the leading European social infrastructure player.

On 27 November 2020, SBB launched a voluntary offer to acquire Entra ASA to create the leading European social infrastructure player and publicised a combined offer document and exempted document.

On 9 December 2020, SBB announced that SBB withdraws from Entra ASA offer due to due diligence process.

On 16 December 2020, SBB announced submission of a focused list of due diligence requirements to the board of directors of Entra ASA.

On 23 December 2020, SBB announced their intention to launch a significantly enhanced voluntary tender offer to acquire Entra ASA.

14.2.1.4 Acquisitions

On 3 July 2020, SBB published that SBB acquires a preschool portfolio in Norway with newly signed 35-year triple-net leases for NOK 4,250 million.

On 15 October 2020, SBB published that SBB acquires a portfolio in Finland consisting mainly of elderly care and care homes for EUR 222 million.

On 6 November 2020, SBB published that Sveafastigheter Bostad becomes part of SBB, which contributes 6,000 apartments in Greater Stockholm. SBB also makes a directed new share issue of 44.5 million Class B shares at a price of SEK 31.10.

On 18 December 2020, SBB published the acquisition of 54.3 percent of the shares and votes in Offentliga Hus i Norden AB.

14.2.1.5 Disposals

On 17 January 2020, SBB announced its intention to carry out SEK 11 billion property sales.

On 31 March 2020, SBB published that SBB's ambition is to sell properties totaling SEK 11 billion during the year remains despite Nyfosa awaiting with its acquisition of SBB properties.

On 28 April 2020, SBB published that SBB sells 1,259 apartments for SEK 1,500 million.

On 18 May 2020, SBB published that SBB has sold five properties with an agreed property value of SEK 835 million.

On 9 June 2020, SBB published that SBB sells public office buildings for SEK 1,160 million.

On 10 June 2020, SBB published that SBB sells public office buildings for SEK 4,892 million and acquires project property in Gothenburg for SEK 400 million.

14.2.1.6 Share issue and offering of subordinated convertible notes

On 16 July 2020, SBB announced a proposed directed Class D share issue and an offering of subordinated convertible notes in an expected deal size of approximately SEK 2.6 billion.

On 17 July 2020, SBB announced the pricing of a directed Class D share issue and an offering of subordinated notes mandatorily convertible into Class B shares, for an overall amount of SEK 3.4 billion.

14.2.1.7 Bond issues

On 23 January 2020, SBB published that SBB has successfully issued a EUR 500 million perpetual bond with a fixed coupon of 2.624%.

On 27 March 2020, SBB published that SBB has successfully issued a EUR 50 million senior unsecured bond with a term of 20 years.

On 8 December 2020, SBB published that SBB has successfully issued a EUR 1.2 billion of which a EUR 700 million social bond and a EUR 500 million perpetual bond.

14.2.1.8 Bond redemptions

On 26 June 2020, SBB announced that its subsidiary Hemfosa Fastigheter AB exercises its call option to voluntary total redemption of the outstanding senior unsecured floating rate bond with ISIN SE0009664337.

On 2 July 2020, SBB announced that the Financing Conditions for the voluntary total redemption of the outstanding senior unsecured floating rate bond issued by Hemfosa with ISIN SE0009664337 has been satisfied.

On 2 September 2020, SBB announced early redemption of the outstanding senior unsecured floating rate notes with ISIN SE0011725514.

On 16 October 2020, SBB announced early redemption of the outstanding senior unsecured floating rate notes with ISIN SE0010414581.

14.2.1.9 Investment grade ratings

On 6 April 2020, SBB published that Fitch Ratings affirms SBB's investment grade rating BBB- with stable outlook.

On 8 May 2020, SBB published that S&P Global Ratings places SBB on Credit Watch Negative.

On 10 June 2020, SBB published that S&P Global Ratings affirms SBB's investment grade rating BBB- with stable outlook, placing SBB in the strong business profile category.

On 25 November 2020, SBB announced that SBB's rating outlook had been revised to positive (BBB- with positive outlook) by Fitch after the announcement of the intention to acquire Entra.

14.2.1.10 Public takeover bid and acquisition of Hemfosa Fastigheter AB

On 23 December 2019, SBB published that SBB controls 87.8 percent of the shares in Hemfosa and that SBB declares the offer unconditional and extends the acceptance period.

On 10 January 2020, SBB published that SBB controls approximately 91.2 percent of the shares in Hemfosa.

14.2.1.11 Other

On 5 May 2020, SBB published that Ilija Batljan has been detained in custody on alleged insider dealing.

On 6 May 2020, SBB published that Ilija Batljan was released from custody.

On 20 May 2020, SBB published that the preliminary investigation against Ilija Batljan is withdrawn and that Ilija Batljan are dismissed from investigation on alleged insider dealing.

On 16 June 2020, SBB published that SBB presents new targets.

On 7 October 2020, SBB announced a strategic update regarding a number of focus areas, e.g. the Board's ambition is to propose a dividend of SEK 1 per A and B ordinary share to the 2021 Annual General Meeting.

On 3 December 2020, SBB published that SBB updates its target regarding income from property development.

14.3 Working capital

SBB is of the opinion that the working capital available to the SBB Group is sufficient for its present requirements, for the forthcoming 12-month period. In this context, the working capital signifies the ability of the SBB Group to access capital for fulfilling its payments as they become due to payment.

14.4 Material agreements

14.4.1 Introduction

The following agreements (not being agreements entered into in the ordinary course of business) have been entered into by a member of the SBB Group within the two years immediately preceding the date of this Offer Document and are, or may be, material or have been entered into at any time by any member of the SBB Group and contain provisions under which any member of the SBB Group has an obligation or entitlement which is, or may be, material to the SBB Group as of the date of this Offer Document.

14.4.2 Bridge facilities agreement

On 23 December 2020, the Company entered into a bridge facility agreement in a principal amount of NOK 20 billion, with an interest rate based on NIBOR and an initial margin of 1.20 per cent (the margin is connected to the Company's credit rating) with a maturity of six months with an option to extend for two consecutive six months periods and making the total maximum maturity 18 months (the "**Bridge Loan**"). The funds from the Bridge Loan shall be applied to, inter alia, (i) the payment of the cash purchase price for the Entra Shares in connection with the Offer, (ii) potential market purchases of Entra Shares, (iii) the cancellation and repayment of any bonds or loans existing within the Entra group (if necessary), and (iv) the payment of acquisition costs. The Bridge Loan agreement contains customary conditions precedent which relate to the status of the Company (financial reports, authorisation documentation and registry information), all of which have been fulfilled, or the Offer (evidence that the Offer has been declared unconditional, copies of published documents and confirmations regarding their content). None of the conditions precedent are outside of the Company's control or relate to Entra. Moreover, the Bridge Loan agreement contains customary provisions regarding fees, undertakings, representations and financial covenants, along with provisions on mandatory prepayments in case of (i) certain large disposals of assets and (ii) certain large capital markets issuances. The Bridge Loan may be cancelled and repaid at any time during the term of the loan, subject to a three-day notice period.

14.4.3 Acquisition and transfer agreements

Since the SBB Group's establishment in March 2016, a significant number of acquisitions and transfers, mainly of property owning companies and propyyerties, have been made by the SBB Group. Amongst others, SBB has acquired Samhällsbyggnadsbolaget i Norden AB (publ) (the current SBB i Norden) (after its acquisition of AB Högkullen (publ) and Gimmel Fastigheter AB), Kuststaden Holding AB, Sörmlandsporten AB, Kopparleden AB, Hemfosa Fastigheter AB, an acquisition and subsequent sale of a company owning property in central Oslo that included DNB Bank ASA's headquarters, sold a portfolio offices to Nyfosa AB and purchased a portfolio of preschools from the Norwegian Laeringsverkstedet.

In acquisition agreements, fixed-term warranties regarding the property and the acquired company are regularly provided by the seller. When subsidiaries of the SBB Group sell properties and companies, warranty claims may be brought by the buyer in relation to any damage that has arisen. Historically, no material warranty claims have been brought against the SBB Group and the SBB Group currently does not expect any warranty claims or other material obligations to be brought against the SBB Group. See "Risk Factors—Risks related to the SBB Group's operations—The SBB Group's business may be adversely affected if the acquisition and integration of properties and property companies is not successful".

14.4.4 Commercial leases

As of 30 September 2020, the SBB Group had commercial lease agreements primarily for its community service properties and residual commercial premises in lower floors and development properties used as offices, warehouses or industrial spaces. Most of the SBB Group's commercial leases are based on the Swedish Property Federation's (Sw. Fastighetsägarna) standard agreements or similar standards in the other Nordic countries and are subject to annual rent adjustments tied to changes to the consumer price index. The agreements usually contain appendices with specific provisions for the relevant lease and the term of the leases are usually three to five years with a termination notice period of nine months.

14.4.5 Distributor agreements

Other than financing costs, the SBB Group's most significant expenses are related to its ordinary property costs, including, inter alia, costs of heating, waste disposal and continuous maintenance. The SBB Group does not consider any individual distributor agreement relating to property costs to be material.

For administrative services, SBB has entered into a significant agreement with Newsec Asset Management AB. See "Business overview—Overview of the SBB Group's structure—Outsourcing arrangements".

14.5 Information technology

The SBB Group's information technology infrastructure and operations are largely outsourced to Axia IT AB. SBB has entered into a comprehensive IT services agreement with Axia IT AB, under which Axia IT AB provides IT development, support, maintenance and administration with the overall aim of optimising SBB's IT infrastructure and consolidating different IT environments within the SBB Group, in order to create a central platform and structure. Further, the Head of IT Operations for SBB is appointed under the IT services agreement.

Together with the external Head of IT Operations, SBB has implemented several internal policies and guidelines with the purpose of supporting the overall continuity of the operations of SBB by ensuring that SBB's IT infrastructure is secure and that there are procedures in place for upholding and recovering necessary IT services in time. Among other things, the policies include procedures for the storage and backup of data, as well as a detailed IT disaster plan. SBB's IT environment has an integrated mechanism for authorisation control, which includes limiting authority based on different roles within SBB.

14.6 Intellectual property

The SBB Group has not registered and does not own or license intellectual property rights that would be material to its operations except for the sbbnorden.se internet domain and the trademarks "Samhällsbyggnadsbolaget i Norden", "SBB i Norden" and "Samhällsbyggnadsbolaget" and four logos containing "SBB Samhällsbyggnadsbolaget" or "SBB", which are protected as registered EU trademarks. Intellectual property rights do not have a material effect on the SBB Group's business or profitability.

14.7 Insurance

The SBB Group maintains insurance for risks connected to its properties and other aspects of its operations, including machines, management and service, environmental responsibilities for builders, rental loss, legal costs, liability for its CEO and board members and investments. The SBB Group believes that its insurance coverage, including the maximum coverage amounts, exclusions and limitations of liability and terms and conditions of its policies, are both consistent with that of other companies operating in the same industry and appropriate for the operations of the SBB Group. There is, however, no guarantee that the SBB Group will not incur any losses or become the subject of claims that exceed the scope of the relevant insurance coverage.

14.8 Legal proceedings

The SBB Group is, from time to time, involved in disputes, claims and negative decisions from authorities in the ordinary course of business. During the last twelve months, the SBB Group has not been involved in any governmental, legal or

conciliation proceedings (including any proceedings that are pending or threatened of which the SBB Group is aware), that have had or could have material effects on the financial position or profitability of the SBB Group. The SBB Group is not aware of any facts or circumstances that could reasonably be expected to lead to any material claims being made against the SBB Group in the foreseeable future. See "Risk Factors—Risks related to legal, regulatory and governance issues—Risks related to legal, regulatory and corporate governance issues—The SBB Group may fail to comply with applicable regulations and risk being involved in legal and administrative proceedings".

14.9 Related party transactions

Save as described in the supplementary information of the unaudited interim consolidated financial statements of the SBB Group for the nine months periods ended on 30 September 2020, note 30 (Related party transactions) in the 2019 Audited Financial Statement and note 29 (Related party transactions) in other Historical Financial Information, there were no related party transactions entered into by SBB or any member of the SBB Group during the nine months ended 30 September 2020 and the financial years ended 31 December 2019, 2018 and 2017 up to the date of this Offer Document.

14.10 Valuation reports

Valuation reports relating to the real estate properties of SBB have been provided by the Independent Valuers (as defined above). Each of the Independent Valuers have consented to the publication of its valuation report in this Offer Document and none of the Independent Valuers has, as far as SBB knows, any material interests in SBB.

14.11 Rules and regulations pertinent for the group's business

The business of the SBB Group is to a high degree formed by rules and other regulation and decisions by authorities regarding for example environment, security, leasing and the rent-regulation for residential housing. The SBB Group must comply with the requirements of a number of codes, laws and regulations, including detailed zoning plans, building standards and safety regulations, etc. The SBB Group's operations are regulated by, inter alia, the Swedish Environmental Code (1998:808) and the Swedish Planning and Construction Act (2010:900). The SBB Group is also subject to regulation in areas such as work environment including safety related issues, managing asbestos and asbestos removal, and laws and ordinances regulating emissions of greenhouse gases, including energy and electricity consumption. As regards to tax related questions, these are handled by the SBB Group through interpretation of the valid and pertinent taxation legislation and other taxation regulations as well as standpoints by the Swedish Tax Agency.

The business of the SBB Group is also formed by regulations regarding corporate governance, for example through the Swedish Companies Act (2005:551), the code and the rules and recommendations which stems from the admission to trading of SBB's shares on Nasdaq Stockholm. For more information regarding these rules and how they are applied by SBB, see Section 12.5 "Governance framework".

14.12 Environmental aspects which may affect the use of the properties of the group

There are several environmental aspects which may affect the use of the properties of the SBB Group. By operations of the current environmental law in Sweden, the subject conducting operations that contributed to contaminating a property also has a responsibility for remediation. If the operator is unable to carry out or pay for remediation of a property, the party that acquired the property and was aware of or should have discovered the contamination at the time of acquisition can be held responsible. This means that, under certain circumstances, the SBB Group can be ordered to restore a property to a condition that meets the requirements of the relevant environmental legislation. A restoration of this kind could encompass remediation of a suspected of actual contamination of land, catchment areas or groundwater. In addition, contaminations which require remediation can also be discovered on properties and in buildings, especially in connection with refurbishment or when buildings are being upgraded for environmental certificates. Measures taken to remove or remediate such contaminations may be required in the running operations of the SBB Group.

15 IMPORTANT INFORMATION ON TAXATION RELATED TO THE CONSIDERATION SHARES

15.1 Swedish taxation

15.1.1 Introduction

The tax legislation in the investor's home country and in Sweden may affect any income received from shares in SBB. The taxation of any dividend as well as capital gains taxation and rules concerning capital losses in connection with disposal of securities, depends on the shareholder's particular circumstances. Special tax rules apply to certain categories of tax-payer and certain type of investment forms.

Each holder of share should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the application and effect of foreign tax rules and tax treaties.

15.1.2 Certain tax considerations in Sweden

15.1.2.1 Introduction

Below is a summary of certain Swedish tax issues related to the Offer for private individuals and limited liability companies that are residents of Sweden for tax purposes (unless otherwise stated) and that hold Entra Shares. The summary is based on current legislation and is only intended to provide general information regarding shares.

The summary does not cover:

- situations where securities are held as current assets in business operations (for tax purposes);
- situations where securities are held by a limited partnership or a partnership;
- situations where securities are held in an investment savings account (Sw. investeringssparkonto);
- the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares or subscription rights in SBB that are deemed to be held for business purposes (for tax purposes);
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies (Sw. fåmansföretag) or to shares acquired by means of such shares;
- the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. investeraravdrag);
- foreign companies conducting business through a permanent establishment in Sweden;
- other classes of shares than Entra Shares;
- other classes of shares than SBB Class B Shares;
- other transactions for the purposes of the Offer than a divestment of Entra Shares for cash or SBB Class B Shares; or
- foreign companies that have been Swedish companies.

Further, special tax rules apply to certain categories of companies, for example, investment companies and insurance companies. The tax consequences for each individual security holder depend on the holder's particular circumstances. Each holder of securities is advised to consult an independent tax advisor as to the tax consequences relating to the holder's particular circumstances that could arise from the Offer, including the applicability and effect of foreign tax legislation (including regulations) and provisions in tax treaties.

15.1.2.2 General rules on capital gains taxation

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value, and shall be reported in the income tax return. Special provisions apply to a share-for-share exchange with "roll-over relief" for private individuals, see section below "Divestment of Entra Shares for SBB Class B Shares". The acquisition value for all shares of the same series and type shall be added together and computed collectively in accordance with the so-called average method (*Sw. genomsnittsmetoden*). As an alternative, the so-called

standard method (*Sw. schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 percent of the consideration less selling expenses.

Private individuals

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30 per cent. Capital losses on listed shares and other listed securities taxed as shares may be fully offset against taxable capital gains the same year on shares, as well as on listed securities taxed as shares (however not mutual funds (*Sw. värdepappersfonder*), or hedge funds (*Sw. specialfonder*), containing Swedish receivables only (*Sw. räntefonder*)). Capital losses not absorbed by these set-off rules are deductible at 70 percent in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 percent of the net loss that does not exceed SEK 100,000 and 21 percent of any remaining net loss. A net loss cannot be carried forward to future tax years.

Limited liability companies

For limited liability companies (*Sw. aktiebolag*) all income, including taxable capital gains and dividends, is taxed as income from business operations at a rate of 21.4 percent (20.6 percent for financial years commencing on January 2021 at the earliest). Capital gains and capital losses are calculated in the same way as described for private individuals above.

Deductible capital losses on shares and other securities taxed as shares may only be offset against taxable capital gains on such securities. A net capital loss on shares and other securities taxed as shares that cannot be utilized during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies and life-insurance companies.

15.1.2.3 Divestment of Entra Shares for SBB Class B Shares

Private individuals and limited liability companies accepting the Offer and thus acquire new SBB Class B Shares against Entra Shares should be considered to have divested the latter shares. Provided that the divestment of SBB Class B Shares will be undertaken at fair market value and that SBB at the end of the calendar year of the divestment of Entra Shares is undertaken will hold shares corresponding more than 50 per cent of the total votes of Entra, the rules regarding roll-over relief for a share-for-share exchange, should be applicable for private individuals.

Private Individuals

Private individuals resident in Sweden for tax purposes, should be considered to have acquired SBB Class B Shares for an acquisition price corresponding to the acquisition value of the Entra Shares if the provisions regarding roll-over relief in relation to a share-for-share exchange are applicable. It should be noted that the share-for-share exchange is not required to be reported in the tax return. Potential cash payments should be reported as a capital gain without any deduction for the corresponding acquisition value the year of the share-for-share exchange.

If a private individual cease to be habitual abode or continuously stay within the EEA, and the provisions regarding roll-over relief have been applied, a "fictitious" capital gain attributable to the share-for-share exchange will be triggered and taxable. A capital gains or a capital loss is computed as the difference between the fair market value of the SBB Class B Shares that are acquired at the time of the divestment, and the acquisition value of the divested Entra Shares. SBB intends to file a request for the Swedish Tax Agency to determine the fair market value of the common shares of series B in SBB at the time of divestment. Information regarding the fair market value will be published on SBB's and the Swedish Tax Agency's websites respectively, www.sbbnorden.se and www.skatteverket.se.

Limited Liability companies

Limited liability companies should be subject to capital gains taxation on the divested Entra Shares. The remuneration received for the divested shares should correspond to money received and the fair market value of the SBB Class B Shares received under the Offer. For limited liability companies the applicable tax rate should amount to 21.4 percent

(20.6 percent for financial years commencing on January 2021 at the earliest). Capital gains and capital losses are calculated in the same way as described for private individuals above.

15.1.2.4 Taxation of shareholders in SBB post Offer

Private individuals

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30 percent. Capital gains and capital losses on listed shares are computed in the manner described section "General rules on capital gains taxation" above. For private individuals tax resident in Sweden preliminary taxes are usually withheld on dividend payments at a tax rate of 30 per cent. The preliminary tax is usually withheld by Euroclear Sweden, or by the custodian in relation to shares held via a custodian.

Limited liability companies

For limited liability companies all income, including taxable capital gains and dividends, is taxed as income from business operations at a rate of 21.4 percent (20.6 percent for financial years commencing on January 2021 at the earliest).

Shareholders not resident in Sweden for tax purposes

For shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company for example payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain series and liquidation of the company. The tax rate is 30 percent. The tax rate is, however, generally reduced through tax treaties. In Sweden, withholding tax deductions are normally carried out by Euroclear or, in respect of nominee-registered shares, by the nominee. Sweden's tax treaties generally admit to reduction of the withholding tax in accordance with the treaty's tax rate directly at the time of distribution provided that Euroclear or the nominee have received the required information about the person entitled to the distribution. Investors who are entitled to a reduced tax rate according to a tax treaty can claim a refund from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution if the tax at source has been withheld with a higher tax rate. The receipt of subscription rights does not give rise to any obligation to pay withholding tax.

Shareholders not resident in Sweden for tax purposes are normally not liable for capital gains taxation in Sweden upon disposals of shares or subscription rights. Shareholders and holders of subscription rights, respectively, may however be subject to taxation in their state of residence.

According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares and subscription rights in SBB, if they have been residents of Sweden due to a habitual abode or continuous stay in Sweden at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty.

15.2 Norwegian taxation

15.2.1 General

Set out below is a summary of certain Norwegian tax matters related to the holding and disposal of Consideration Shares. The statements below regarding Norwegian taxation are based on the laws in force in Norway as of the date of this Offer Document, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address foreign tax laws.

The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Consideration Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes. The summary only applies to shareholders who are beneficial owners of the Consideration Shares.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder. For the purposes of the summary below, it is assumed

that the Consideration Shares will be comprised by Norwegian participation exemption for Norwegian Corporate Shareholders.

The tax legislation in SBB's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Consideration Shares.

15.2.2 Taxation of dividends

15.2.2.1 General

Since SBB is a Swedish company which is tax resident in Sweden, the distribution of dividends are likely to have Swedish tax consequences. We refer to Section 15.1 "Swedish taxation" above.

15.2.2.2 Norwegian Corporate Shareholders

Only 3% of dividend income received by Norwegian Corporate Shareholders (i.e. limited liability companies and similar entities resident in Norway for tax purposes) on shares comprised by the Norwegian participation exemption, will be subject to tax as ordinary income (22% flat rate as of 2021), implying that such dividends are effectively taxed at a rate of 0.66%. A non-Norwegian company, such as SBB, will be comprised by the Norwegian participation exemption provided that SBB is a limited liability company (or a similar entity) which is incorporated and performs genuine economic activity within the EEA.

For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax the effective rate of taxation for dividends is 0.75%.

15.2.2.3 Norwegian Personal Shareholders

Dividends distributed to Norwegian Personal Shareholders (as defined in Section 3.7.2.2 "Taxation of capital gains on realisation of Entra Shares – Norwegian Personal Shareholders") are grossed up with a factor of 1.44 before taxed as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Consideration Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Personal Shareholders holding Consideration Shares at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer Consideration Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Consideration Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Consideration Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Consideration Share the following year.

If certain requirements are met, Norwegian Personal Shareholders are entitled to a tax credit in the Norwegian tax for withholding tax imposed on the dividends distributed in the jurisdiction where SBB is resident for tax purposes. However, any tax exceeding the withholding tax rate according to an applicable tax treaty with the country in which SBB is resident will not be deductible.

Norwegian Personal Shareholders may hold their Consideration Shares through a share savings account (*Nw.: aksjesparekonto*), provided that the Consideration Shares are listed on a stock exchange and SBB is resident in a country within the EEA for tax purposes. Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. The rules for tax free allowance also apply to share savings accounts as such and not to the individual share. Please refer to Section 15.2.3.2 "Norwegian Personal Shareholders" below for further information in respect of Norwegian share saving accounts.

15.2.2.4 Non-Norwegian Shareholders

As a general rule, dividends received by non-Norwegian Shareholders (as defined in Section 3.7.2.4 "Taxation of capital gains on realisation of Entra Shares – Non-Norwegian Shareholders") from shares in non-Norwegian tax resident

companies are not subject to Norwegian taxation unless the Non-Norwegian Shareholder holds the shares in connection with the conduct of a trade or business in Norway.

15.2.3 *Taxation of capital gains*

15.2.3.1 Norwegian Corporate Shareholders

Capital gains generated by Norwegian Corporate Shareholders through a realization of Consideration Shares comprised by the Norwegian participation exemption, cf. above, will be exempt from Norwegian tax for such investors. Losses from realization of Consideration Shares and costs incurred in connection with the purchase and realization of such Consideration Shares are not tax deductible for Norwegian Corporate Shareholders.

15.2.3.2 Norwegian Personal Shareholders

Norwegian Personal Shareholders are taxable in Norway for capital gains derived from realization of Consideration Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the Consideration Shares have been owned by the individual shareholder and irrespective of how many Consideration Shares that are realized. Gains are taxable as ordinary income in the year of realization and losses can be deducted from ordinary income in the year of realization. Any gain or loss is grossed up with a factor of 1.44 before taxed at a rate of 22% (resulting in an effective tax rate of 31.68%). Under current tax rules, gain or loss is calculated per Consideration Share, as the difference between the consideration received for the Consideration Share and the Norwegian Personal Shareholder's cost price for the Consideration Share, including costs incurred in connection with the acquisition or realization of the Consideration Share. Any unused tax-free allowance connected to a Consideration Share may be deducted from a capital gain on the same Consideration Share, but may not create or increase a deductible loss. Further, unused tax-free allowance related to a Consideration Share cannot be set off against gains from realization of other Consideration Shares.

If a Norwegian Personal Shareholder realizes Consideration Shares acquired at different points in time, the Consideration Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Consideration Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to the Consideration Shares in certain circumstances.

Norwegian Personal Shareholders may hold their Consideration Shares through a Norwegian share saving account (Nw.: aksjesparekonto), provided that the Consideration Shares are listed on a stock exchange and SBB is resident in a country within the EEA for tax purposes. Gains derived upon the realisation of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Losses are first deductible upon closing of the share savings account. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, please see Section 15.2.3.2 "Norwegian Personal Shareholders" above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

15.2.3.3 Non-Norwegian Shareholders

Capital gain or loss derived from the sale or other disposal of Consideration Shares by a Non-Norwegian Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Shareholder holds the Consideration Shares in connection with business activities carried out or managed from Norway.

15.2.3.4 Net wealth tax

The value of Consideration Shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for shares in non-Norwegian companies is as a general rule equal to 55% of the fair market value

(listed value) as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the shares is reduced correspondingly (i.e. to 55%) for assessment purposes.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian Shareholders are not subject to Norwegian net wealth tax with respect to the Consideration Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

15.2.4 Transfer taxes etc. VAT

See Section 3.7.3 "Duties on the transfer of shares" for more information.

16 SELLING AND TRANSFER RESTRICTIONS

16.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, SBB is not taking any action to permit a public offering of the SBB Class B Shares in any jurisdiction. Receipt of this Offer Document will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Offer Document is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Offer Document, if an investor receives a copy of this Offer Document in any jurisdiction other than Norway, the investor may not treat this Offer Document as constituting an invitation or offer to it, nor should the investor in any event deal in the SBB Class B Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the SBB Class B Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Offer Document, the investor should not distribute or send the same, or transfer SBB Class B Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

16.2 Selling restrictions

16.2.1 United States

The Consideration Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") in transactions exempt from the registration requirements of the U.S. Securities Act; or (ii) to certain persons outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Consideration Shares will be restricted and each QIB in the United States who makes a valid election to receive, and does in fact receive, Consideration Shares pursuant to the Share Consideration will be required to provide a duly executed U.S. Investor Representation Letter to SBB and to abide by the transfer restrictions set forth therein, which are outlined in Section 16.3 "Transfer restrictions" below.

Until 40 days after the commencement of the Offer Period, an offer or sale of Consideration Shares within the United States by a dealer, whether or not participating in the Offer, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

16.2.2 European Economic Area and United Kingdom

In relation to each the EEA, no Consideration Shares have been offered or will be offered to the public in that Relevant State, pursuant to the Offer, except that Consideration Shares may be offered to the public in that Relevant State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- (i) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant State, with the prior written consent of the Receiving Agent for any such offer; or
- (iii) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation,

provided that no such offer of Consideration Shares shall result in a requirement for SBB or the Receiving Agent to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Consideration Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offer and the Consideration Shares, so as to enable an investor to decide to acquire any Consideration Shares.

In relation to the UK, no Consideration Shares have been offered or will be offered to the public, pursuant to the Offer, except that Consideration Shares may be offered to the public at any time in reliance on the following exemptions under the UK Prospectus Regulation:

- (i) Qualified investors: to any legal entity which is a qualified investor as defined in as defined in Article 2 of the UK Prospectus Regulation;
- (ii) Fewer than 150 offerees: to fewer than 150, natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), as permitted under the UK Prospectus Regulation, subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (iii) Other exempt offers: in any other circumstances falling within section 86 of the FSMA.

provided that no such offer of Consideration Shares shall result in a requirement for SBB or the Receiving Agent to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Consideration Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to acquire any Consideration Shares.

Additionally, in UK, this Offer Document and any other material in relation to the Offer described herein are only being distributed to and is only directed at persons who are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth companies and other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made, (all such persons together being referred to as "**Relevant Persons**"). In the UK, the Consideration Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such SBB Class B Shares will be engaged in only with, Relevant Persons. Any such person who is not a Relevant Person should not act or rely on this document or any of its contents. This Offer Document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Offer Document and should not rely on it. For the purposes of this provision, with respect to the UK, the expression "EU Prospectus Regulation" shall refer to the EU Prospectus Regulation or that regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as applicable.

This EEA and UK selling restrictions are in addition to any other selling restrictions set out in this Offer Document.

16.2.3 *Additional jurisdictions*

16.2.3.1 Canada

This Offer Document is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Consideration Shares in Canada or any province or territory thereof. Any offer or sale of the Consideration Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

16.2.3.2 Hong Kong

The Consideration Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Consideration Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Consideration Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

16.2.3.3 Singapore

This Offer Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or material in connection with the offer or sale, or invitation for subscription

or purchase, of the Consideration Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

16.2.3.4 Other jurisdictions

The Consideration Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Canada, Japan, Hong Kong, Australia or any jurisdiction in which it would not be permissible to offer the Consideration Shares.

In jurisdictions outside the United States and the EEA where the Offer would be permissible, the Consideration Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

16.3 Transfer restrictions

16.3.1 United States

The Consideration Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section 16.3 "Transfer restrictions".

Each person who makes a valid election to receive, and does in fact receive Consideration Shares pursuant to the Share Consideration outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Offer Document and such other information as it deems necessary to make an informed investment decision and that:

- It is authorised to receive the Consideration Shares in compliance with all applicable laws and regulations.
- It acknowledges that the Consideration Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer.
- It and the person, if any, for whose account or benefit it is receiving the Consideration Shares, was located outside the United States and has not received the Consideration Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Consideration Shares or any economic interest therein to any person in the United States.
- It is not an affiliate of SBB or a person acting on behalf of such affiliate.
- The Consideration Shares have not been offered to it by means of any "directed selling efforts".
- SBB shall not recognise any offer, sale, pledge or other transfer of the Consideration Shares made other than in compliance with the above-stated restrictions.
- If it is receiving any of the Consideration Shares as a fiduciary or agent of one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreement on behalf of each such account.
- It acknowledges that SBB, and the Receiving Agent will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Each QIB who makes a valid election to receive, and does in fact receive Consideration Shares within the United States will be required to provide a duly executed U.S. Investor Representation Letter to SBB which will contain certain representations, warranties and undertakings, including that:

- It understands that the Consideration Shares will be "restricted securities" as defined under Rule 144 under the U.S. Securities Act.

- It (i) is a QIB (as defined in Rule 144A), (ii) is aware that the transfer of the Consideration Shares to it is being made in reliance on an exemption from the registration requirements of the U.S. Securities Act and (iii) is acquiring such Consideration Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution of the Consideration Shares, as the case may be.
- It is aware that the Consideration Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, it decides to offer, resell, pledge or otherwise transfer such Consideration Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) in accordance with Regulation S, (ii) in accordance with Rule 144 under the U.S. Securities Act (if available), (iii) to persons reasonably believed to be QIBs in the United States, (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by SBB of an opinion of counsel or such other evidence that SBB may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- It understands that for so long as the Consideration Shares are "restricted securities" within the meaning of U.S. federal securities laws, no such Consideration Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility.

17 DOCUMENTS ON DISPLAY AND INCORPORATION BY REFERENCE

17.1 Documents on display

Copies of (i) SBB's articles of association and certificate of registration, (ii) annual reports of SBB and its subsidiaries, as applicable, for the financial years 2019, 2018, 2017, including auditors' reports, (iii) Unaudited Financial Statements of the SBB Group for the nine months ended 30 September 2020, (iv) the Valuation Reports and (v) this Offer Document, are held available for inspection during office hours at SBB's head office at Strandvägen 1, SE-114 51 Stockholm. These documents, excluding the annual reports for SBB's subsidiaries, are also available in electronic form on SBB's website:

- <https://corporate.sbbnorden.se/en/reports-and-presentations/>; and
- <https://corporate.sbbnorden.se/en/section/investors/other-prospectus/>.

17.2 Incorporated by reference

17.2.1 The SBB Group

The documents set out below are incorporated by reference and constitute part of this Offer Document. The parts of the documents below that are not incorporated by reference are not relevant for investors. The Audited Financial Statements has been audited by Ernst & Young Aktiebolag with the authorised public accountant Mikael Ikonen as the auditor in charge. The Auditor's reports contain no remarks. SBB's interim report for the period the nine months period ended 30 September 2020 has only been subject to a general review by SBB's auditor. The documents incorporated by reference are available during the validity period of this Offer Document on SBB's website, <https://corporate.sbbnorden.se/en/reports-and-presentations/>. The information contained on SBB's website is not included unless the information is expressly incorporated by reference.

- (i) SBB's interim report for the nine months period ended 30 September 2020, as regards the SBB Group's income statement (page 10), the SBB Group's total income statement (page 10), the SBB Group's balance sheet (page 13), the SBB Group's statement of changes in equity (page 15), the SBB Group's cash flow statement (page 16), the SBB Group's additional information, including accounting principles (page 33) and the auditor's review report (page 35).
- (ii) SBB's consolidated annual report for the financial year ended 31 December 2019, as regards the SBB Group's income statement (page 70), the SBB Group's total income statement (page 70), the SBB Group's balance sheet (pages 72–73), the SBB Group's statement of changes in equity (page 75), the SBB Group's cash flow statement (page 76), the SBB Group's notes, including accounting principles (pages 77–101) and the auditors' report (pages 114–117).
- (iii) SBB's consolidated annual report for the financial year ended 31 December 2018, as regards the SBB Group's income statement (page 87), the SBB Group's total income statement (page 89), the SBB Group's balance sheet (pages 90–91), the SBB Group's statement of changes in equity (page 92), the SBB Group's cash flow analysis (page 93), the SBB Group's notes, including accounting principles (pages 94–122) and the audit report (pages 140–142).
- (iv) SBB i Norden's consolidated annual report for the financial year ended 31 December 2017, as regards the SBB Group's income statement (page 87), the SBB Group's total income statement (page 87), the SBB Group's balance sheet (page 7), the SBB Group's statement of changes in equity (page 8), the SBB Group's cash flow analysis (page 9), the SBB Group's notes, including accounting principles (pages 10–24) and the audit report (pages 38–39).

17.2.2 The Entra Group

The documents set out below are incorporated by reference and constitute part of this Offer Document. The parts of the documents below that are not incorporated by reference are not relevant for investors. The consolidated audited financial statements for Entra have been audited by Deloitte AS, and the auditor's report contain no remarks. Entra's interim report for the three and nine months period ended 30 September 2020 has only been subject to a general review by Entra's auditor. The documents incorporated by reference are available during the validity period of this Offer Document on Entra's website <https://entra.no/investor-relations/article/rapporter-og-presentasjoner/38>. The information contained on Entra's website is not included in this Offer Document unless the information is expressly incorporated by reference.

Section in the Offer Document	Disclosure requirement	Reference and link
Section 4.5, more precisely 4.5.2 - 4.5.4	Draft annex, minimum information content of the exemption document, item 2.5 "Financial information"	The Entra Group's Q3 2020 interim report https://entra.no/storage/uploads/reports/137/kvartalsrapport-q3-2020.pdf <ul style="list-style-type: none"> • Statement of comprehensive income (page 17) • Balance sheet (page 18) • Changes in equity (page 19) • Statement of cash flow (page 20) • Accounting principles (page 21)
Section 4.5, more precisely 4.5.2 - 4.5.4	Draft annex, minimum information content of the exemption document, item 2.5 "Financial information"	The Entra Group's 2019 annual report https://entra.no/storage/uploads/reports/130/entra-annual-report-2019-eng-web-ny.pdf <ul style="list-style-type: none"> • Statement of comprehensive income (page 79) • Balance sheet (page 80-81) • Statement of changes in equity (page 82) • Statement of cash flow (page 83) • Notes, including accounting principles (page 85-128) • The auditor's report (page 68-69)

18 DEFINITIONS

The following definitions apply throughout this Offer Document unless the context requires otherwise:

Acceptance Form	The acceptance form enclosed with this Offer Document.
Audited Financial Statements	2017 Audited Financial Statements, 2018 Audited Financial Statements and 2019 Audited Financial Statements for SBB.
2017 Audited Financial Statements	The audited consolidated financial statements of the Company for the financial year 2017, including the related notes thereto, which have been prepared in accordance with IFRS
2018 Audited Financial Statements	The audited consolidated financial statements of the Company for the financial year 2018, including the related notes thereto, which have been prepared in accordance with IFRS
2019 Audited Financial Statements	The audited consolidated financial statements of the Company for the financial year 2019, including the related notes thereto, which have been prepared in accordance with IFRS
Acquisition of Entra	SBB's bid regarding all shares in Entra.
Anti-Money Laundering Legislation	Applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324
ASIC	Australian Securities & Investments Commission
Articles of Association	SBB's articles of association
Base Consideration	The Share Consideration and the Cash Consideration together.
Beneficial Owners	Share Consideration will be delivered through a nominee arrangement, the Shareholders will become the beneficial owners
Board Members	The members of SBB's board of directors
Board of Directors.....	SBB's board of directors
Bridge Loan	The bridge facility agreement described in section 14.4.2.
Cash Consideration	Has the meaning ascribed to such term in section 3.3.1.
Castellum	Castellum Aktiebolag (publ)
Code	Swedish Corporate Governance Code
Company, Samhällsbyggnadsbolaget, SBB or Group ...	Samhällsbyggnadsbolaget i Norden AB (publ), reg. no. 556981-7660
Consideration shares.....	The new SBB Class B Shares issued in connection with the Offer (provided that SBB does not use its right to, in whole or in part, settle the Share Consideration in cash).
Documentation.....	This Offer Document and any separate notices, summaries and other documentation regarding the Offer, the making of the Offer or the offering of SBB Class B Shares

EEA.....	European Economic Area
Entra.....	Entra ASA, a public limited liability company incorporated under the laws of Norway
Entra Group	Entra ASA, a public limited liability company incorporated under the laws of Norway, together with its subsidiaries.
Entra Shares	Shares in Entra
Entra Shareholder.....	Shareholders of Entra
EPRA NRV (Long-term net asset value)	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
EPRA NRV (Long-term net asset value) per share	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
EPRA NTA (Long-term net asset value) per share	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
EPRA NTA (Current net asset value).....	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
EPRA NTA (Current net asset value) per share	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
Equity Ratio	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
EU	European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017
EUR, Euro or €	Means the lawful currency of the EU member states that adopted the single currency
EUR CP Program.....	A EUR 200 million commercial paper program established by the Group and arranged by Swedbank AB's Finnish branch
Euroclear Sweden	Euroclear Sweden AB
EU Target Market Assessment	The Consideration Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
Exempted Document.....	This document
Financial Advisors	Arctic Securities AS, Citigroup Global Markets Europe AG, DNB Markets and Goldman Sachs International, as financial advisors to SBB in connection with the Offer.

Fitch	Fitch Ratings Limited
GDP	Gross domestic product
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
GLEIF.....	Global Legal Identifier Foundation
Hemfosa.....	Hemfosa Fastigheter AB (publ)
Historical Financial Information	The Audited Financial Statements and the Unaudited Interim Financial Statements
IFRS	International Financial Reporting Standards
Initial Voluntary Offer.....	SBB's initial offer on Entra, launched on 26 November 2020
in-kind dividend.....	Dividends paid out in a manner other than cash
Independent Valuers	Newsec Advice AB, Jones Lang LaSalle Finland Oy, Savills Sweden AB, CBRE Sweden AB och Colliers International Danmark A/S.
Interest Coverage Ratio.....	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
ISIN.....	International Securities Identification Number
IT	Information technology
KlaraBo JV	The Group's holdings in KlaraBo Förvaltning AB
LEI.....	Legal Entity Identifier
Listing Prospectus.....	The listing prospectus for the Consideration Shares to be prepared by SBB prior to listing and trading of the Consideration Shares on Nasdaq Stockholm, as described in further detail in section 3.3.11.3.
Loan-to-Value Ratio	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
LOUs.....	Local Operating Units
Major Shareholders.....	Shareholders interested directly or indirectly in five percent or more of the shares or voting rights of the Company, as described in " <i>Shares and Share Capital—Ownership Structure</i> "
Management.....	Members of the senior management of the SBB Group.
Material Adverse Effect.....	Material adverse effect on the business, assets, liabilities, condition (financial or otherwise), results, or operation of the Entra Group taken as a whole
MAR.....	Market Abuse Regulation (596/2014)
MiFID II.....	EU Directive 2014/65/EU on markets in financial instruments, as amended.

MiFID II Product Governance Requirements	Means (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures.
Mix & Match Facility	Has the meaning ascribed to such term in Section 3.3.1.2 "The Mix & Match Facility".
NCI	National Client Identifier.
Net Initial Yield	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
Net Operating Margin	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
NOK or Norwegian krone	Means the lawful currency of the Kingdom of Norway
Non-Norwegian Personal Shareholders	Non-Norwegian Shareholders who are individuals.
Non-Norwegian Shareholders	Shareholders who are not resident in Norway for tax purposes.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purpose.
Norwegian FSA	Financial Supervisory Authority of Norway.
Norwegian Personal Shareholders	Individuals resident in Norway for tax purposes.
Norwegian Securities Trading Act	Norwegian Securities Trading Act of 29 June 2007 no. 75.
Offer	The voluntary offer to acquire all outstanding shares in Entra ASA.
Offeror	SBB
Offer Document	This document.
Offer Period	From and including 21 January 2021 and to and including 26 February 2021 at 16:30 hours (CET), subject to an extension not exceeding 1 April 2021 at 16:30 hours (CET).
Offer Price	Means the consideration offered by SBB for the Entra Shares, as described in further detail in Section 3.3.1.
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
Outstanding Sum	An amount to which the holders of preference shares shall be entitled, evenly distributed on each preference share, if no dividend has been paid in relation to preference shares, or if a dividend less than the Preference Share Distribution has been paid, corresponding to the difference between what should have been paid as above and the actually paid amount
Passing NOI	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "

Passing Rent	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
PFIC.....	Passive foreign investment company
Preference Share Distribution	An annual distribution of dividends per preferential share of SEK 35
QIB.....	A qualified institutional buyer, as defined in Rule 144A under the U.S. Securities Act
Receiving Agent.....	Arctic Securities AS.
Registrar Bank	The bank acting as the registrar in the VPS of all SBB Class B Shares to be issued as Share Consideration to the Shareholders who accept the Offer on behalf of Entra Shareholders, who will be the beneficial owner of the SBB Class B Shares.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant State	Any member state of the EEA other than Norway and the United Kingdom
Relevant Persons	(i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (ii) high net worth companies and other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made.
Return on Shareholders' Equity	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
Rule 144A.....	Rule 144A under the U.S. Securities Act
S&P	Global Ratings Europe Limited
SBB	Samhällsbyggnadsbolaget i Norden AB (publ), registration number 556981-7660
SBB Class B Shares.....	The class B common shares issued by SBB.
SBB Group.....	SBB together with its subsidiaries.
SFA.....	Securities and Futures Act of Singapore
SEC	U.S. Securities and Exchange Commission
Secondary Listing	SBB's contemplated application for a listing of its SBB Class B Shares on the Oslo Stock Exchange (main list)
Secured Loan-to-Value Ratio.....	As defined in " <i>Selected Consolidated Financial, Operating and other Data—Non-IFRS Financial Data and Reconciliations</i> "
SEK or Swedish krona	The lawful currency of the Kingdom of Sweden
SEK CP Program	A SEK 2,000 million commercial paper program established by the Group and arranged by Swedbank AB (publ)
Share Consideration.....	Has the meaning ascribed to such term in section 3.3.1.

Swedish Companies Act.....	The Swedish Companies Act (2005:551) (Sw. <i>aktiebolagslagen</i>)
Swedish FSA	Financial Supervisory Authority of Sweden (Sw. Finansinspektionen).
Takeover Directive	Directive 2004/25/EF on takeover bids.
Target Company	A company whose shares are admitted to trading on a regulated market and which is the subject of an Offer.
Target Market Assessment.....	EU Target Market Assessment and the product approval process of the Consideration Shares which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFIR; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFIR.
UK	United Kingdom
UK MiFIR	Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018
UK MiFIR Product Governance Rules.....	The FCA Handbook Product Intervention and Product Governance Sourcebook
UK MiFIR Product Governance Requirements.....	The UK MiFIR and the UK MiFIR Product Governance Rules
UK Prospectus Regulation	Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA
U.S. or United States	United States of America
Unaudited Interim Financial Statements	The unaudited interim consolidated financial statements of the Group for the nine months ended 30 September 2020 and 2019, including the related notes thereto, which have been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended
U.S. Investor Representation Letter	A letter to SBB from QIBs in the United States containing certain representations, warranties and undertakings in the form attached as Schedule 1 to the Acceptance Form
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Valerum JV	The Group's holdings in Valerum Fastighets AB
Valuation Reports	The property valuation reports concerning the Company's property portfolio, which have been incorporated in this Offer Document
VAT	Value added tax
WAULT or Weighted Average Unexpired Lease Term ...	The remaining contract term for the Group's community service properties

APPENDIX A
Acceptance Form

Acceptance Form

This acceptance form (the "**Acceptance Form**") shall be used when accepting the conditional voluntary offer (the "**Offer**") made by Samhallsbyggingsbolaget i Norden AB ("**SBB**") to acquire all outstanding shares in Entra ASA ("**Entra**"), on the terms and conditions set forth in the combined offer document and exempted document dated 20 January 2021 (the "**Offer Document**") to which this Acceptance Form is attached. Capitalised terms used (and not defined) herein shall have the meaning set forth in the Offer Document.

Shareholder:

Properly completed and signed Acceptance Forms may be sent by post, e-mail or delivered by hand to the Receiving Agent:

Arctic Securities AS
P.O. Box 1833 Vik
NO-0123 Oslo
Phone: +47 21 01 30 40
E-mail: entra@arctic.com

Shareholders in Entra whose holdings are registered in the name of a nominee, i.e. a bank or other nominee, shall not use this acceptance form. Acceptance must instead be made in accordance with instructions from the nominee.

The shareholders' register of Entra as of 25 January 2021 shows:

VPS account:	No. of Entra Shares:	Bank account for Cash Consideration:	Rights registered:

ACCEPTANCE DEADLINE:

Arctic Securities AS ("**Arctic**") is acting as Receiving Agent in the Offer. This Acceptance Form must be received by Arctic **by 16:30 hours (CET) on 26 February 2021 (subject to any extensions)**. Shareholders who have Entra Shares registered on several VPS accounts will receive one Acceptance Form for each VPS account. Accepting shareholders (each an "**Acceptant**") must return all Acceptance Forms received, properly completed and signed, prior to the acceptance deadline. SBB reserves the right to reject any and all incorrect, delayed or illegally undertaken acceptances and to treat any incorrect or delayed acceptances as invalid.

THE MIX & MATCH FACILITY

SBB offers a Mix & Match Facility, in which shareholders in Entra are offered a combination of cash consideration and share consideration by allotment of common class B shares in SBB, whereby each Entra Shareholder may elect to receive as much Cash Consideration or as much Share Consideration as possible for the tendered Entra Shares. For complete terms and conditions of the Offer, including more information about the Mix & Match Facility, please refer to Section 3 of the Offer Document.

TO SBB AND ARCTIC:

- I/We confirm that I/we have received and reviewed the Offer Document and hereby accept the Offer for all my/our Entra Shares in accordance with the terms and conditions set forth in the Offer Document, and that I/we have read and understood the information provided under "Important information" on page 3 of this Acceptance Form. Unless otherwise indicated in item 4 below, my/our acceptance includes all my/our Entra Shares, including any Entra Shares which I/we have acquired or will acquire prior to the deadline of the acceptance of the Offer and which will be registered in the VPS.
- I/We accept the Offer for the Offer Price of NOK 190.00 per Entra Share tendered by me/us and want the Offer Price delivered as specified below (*select your choice by checking one box only*), and accept that I/we will receive consideration for the tendered Entra Shares as specified in the first box if no explicit selection is made:

<input type="checkbox"/>	I/We want to abstain from the Mix & Match Facility and accept the default combination where the Offer Price is delivered 65% in cash, i.e. NOK 123.50 in cash per tendered Entra Share; and 35% in a number of SBB Class B common shares that represents a value of NOK 66.50 per tendered Entra Share.
<input type="checkbox"/>	I/We want to receive as much Cash Consideration as possible for tendered Entra Shares (in addition to the default cash entitlement of NOK 123.50 per Entra Share in respect of 65% of the total number of Entra Shares tendered by me/us), and as little Share Consideration as possible.
<input type="checkbox"/>	I/We want to receive as much Share Consideration as possible for tendered Entra Shares (in addition to the default share entitlement of NOK 66.50 per Entra Share in SBB Class B Shares in respect of 35% of the total number of Entra Shares tendered by me/us), and as little Cash Consideration as possible.

- I/We accept that the Share Consideration can be settled partially or wholly in cash at SBB's sole discretion, regardless of the specifications made by me/us in item 2 above.
- I/We only accept the Offer for _____ of my/our Entra Shares (*only to be filled in by those shareholders who wish to accept the Offer for a limited number of Entra Shares, which is less than the number of Entra Shares registered on the VPS Account and/or limit the acceptance to the number of Entra Shares currently registered on the VPS account, and thus not include any Entra Shares acquired prior to expiry of the Offer Period*).
- I/We agree not to sell, or in any other way dispose of, use as security, pledge, encumber or transfer to another VPS account, the Entra Shares tendered hereunder. Furthermore, I/we irrevocably authorise Arctic to block the Entra Shares on the above-mentioned VPS-account in favour of Arctic on behalf of SBB. I/we acknowledge that SBB is entitled to extend the Offer Period one or more times, although not beyond 1 April 2021 at 16:30 hours (CET).
- Arctic is given an irrevocable authorisation and instruction to debit my/our VPS-account and to transfer the Entra Shares tendered hereunder to SBB upon settlement of the Offer.
- I/We accept that settlement will be made by way of (i) issuance of SBB Class B Shares to the Registrar Bank on my/our behalf, and that my/our beneficial interest in the SBB Class B Shares will be held through an arrangement with the Registrar Bank and visible in my/our VPS account and/or (ii) transfer of Norwegian kroner (NOK) to the bank account used by the VPS for dividend payments, or, if there is no record of such account, payment will be sent by bankers' draft. For shareholders who do not hold a bank account with a Norwegian bank, payment details for offshore payments must be included, such as name of the bank, SWIFT/BIC, IBAN, or similar payment codes depending on the jurisdiction where the bank account is located.

Fill in here (if relevant): _____
Bank SWIFT/BIC code IBAN number

- My/Our Entra Shares are transferred free of any encumbrances and any other third party rights whatsoever and with all shareholder rights attached to them. Any third party with registered encumbrances or other third-party rights over my/our Entra Shares and/or VPS account(s) must sign the Acceptance Form and thereby waive their rights therein and approve the transfer of my/our Entra Shares to SBB free of any encumbrances and any other third party rights whatsoever for the acceptance to be valid.
- I/We irrevocably authorise the Receiving Agent to subscribe for my/our account for (and in any other way execute all formalities necessary to deliver) the Share Consideration to me/us in settlement of the Offer, and to take and effect such other actions and acts as may be necessary or appropriate in the discretion of the Receiving Agent to complete the Offer.
- I/We represent that I/we am/are permitted by all applicable law to accept the Offer and have complied with all applicable legal requirements so that the Offer may be made to, and accepted by, me/us under the laws of all relevant jurisdictions.
- This Acceptance Form and the Offer is subject to Norwegian law with the Oslo District Court as legal venue.

Please see the section "**Important information**" on the reverse side of this Acceptance Form.

Information concerning the shareholder (mandatory)

Information concerning the rights holder (if applicable)

Personal identity no./Registration no.	Telephone (daytime)	Name/firm	
Legal Entity Identifier, LEI (mandatory for companies/legal entities)		Address (street, box, etc.)	Telephone (daytime)
Name/Company name		Postal code	City/country
City/country	Date	Place, date and signature of rights holder	
Signature of shareholder (parent or guardian if the holder is a minor)			

National Client Identifier – NCI if the shareholder is a natural person

Citizenship, state all if several	Birthday (year, month, day)	NCI*
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* If a Norwegian citizen, this is the shareholder's personal identification number

Important information

Investors in the United States: Any person within the United States wishing to accept the Offer must submit a duly executed U.S. Investor Representation Letter, the form of which is included as Schedule 1 to this Acceptance Form, together with the Acceptance Form. Any person who submits an Acceptance Form without a U.S. Investor Representation Letter will be deemed to have represented and warranted to SBB and the Receiving Agent that (i) it is not a person within the United States and (ii) it is accepting the Offer in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with such regulation.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MIFID II**") implemented in the Norwegian Securities Trading Act, imposes requirements on intermediaries in securities markets. In this respect, Arctic must categorize all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. Each Acceptant who is not an existing client of Arctic will be categorised within one of these three categories pursuant to Arctic's closer assessment. The Acceptant can by written request to Arctic ask to be categorised as a Professional client if the Acceptant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the Acceptant may contact Arctic. The Acceptant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision by accepting the Offer, and the Acceptant is able to bear the economic risk, and to withstand a complete loss of an investment in SBB with respect to the Consideration Shares received in the Offer.

Execution only: As Arctic is not in the position to determine whether the acceptance of the Offer is suitable for the Acceptant, Arctic will treat the acceptance as an execution only instruction from the Acceptant to accept the Offer. Hence, the Acceptant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information exchange: The Acceptant acknowledges that pursuant to the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to Arctic, there is a duty of secrecy between the different units of Arctic and other entities in the Arctic group. This may entail that other employees of Arctic or Arctic's respective groups may have information that may be relevant for the Acceptant, but which Arctic will not have access to in its capacity as Financial Advisor/Receiving Agent in the Offer.

Information barriers: Arctic is a security firm offering a broad range of investment services. In order to ensure that assignments undertaken in Arctic's corporate finance departments are kept confidential, Arctic's other activities, including analysis and stock broking, are separated from its corporate finance departments by information barriers known as "Chinese walls". The Acceptant acknowledges that Arctic's analysis and stock broking activity may act in conflict with the Acceptant's interests with regard to accepting the Offer, including its receipt of the Consideration Shares, as a consequence of such Chinese walls.

Anti-money laundering procedures: The Offer is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Acceptants who are not registered as existing customers of Arctic and who accepts the Offer for a total amount of NOK 100,000 or more must provide such information and documentation as required for compliance with the Anti-Money Laundering Legislation as specified in the Acceptance Form or as otherwise requested by Arctic.

Personal data: The Acceptant confirms that it has been provided information regarding Arctic's processing of personal data, and that it is informed that Arctic will process the Acceptant's personal data in order to manage and carry out the Offering and the acceptance from the Acceptant, and to comply with statutory requirements.

The data controllers who are responsible for the processing of personal data is Arctic. The processing of personal data is necessary in order to fulfil the Acceptant's acceptance of the Offer and to meet legal obligations. The Norwegian Securities Trading Act and the Norwegian Money Laundering Act require that Arctic processes and stores information about clients and trades, and control and document activities. The Acceptant's data will be processed confidentially, but if it is necessary in relation to the aforementioned purposes or obligations, the personal data may be shared with SBB, affiliates of Arctic, VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it.

If Arctic transfers personal data to countries outside the EEA, that have not been approved by the EU Commission, Arctic will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the Acceptants have several legal rights. This includes i.e. the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the Acceptants will have the right to impose restrictions on the processing or demand that the information is deleted. The Acceptant may also complain to a supervisory authority if it finds that Arctic's processing is in breach of the applicable laws. Supplementary information on processing of personal data and the Acceptant's rights can be found at Arctic's website.

Please note that if the Acceptance Form is sent to Arctic by e-mail, the e-mail will be unsecured unless the Acceptant itself takes measures to secure it. The Acceptance Form may contain sensitive information, including national identification numbers, and Arctic recommends the Acceptant to send the Acceptance Form in a secured e-mail.

Acceptance based on full Offer Document: Shareholders of Entra must not accept the Offer on any other basis than on the combined offer document and exempted document (referred to herein as Offer Document).

Additional information: The Offer, pursuant to the terms and conditions presented in the Offer Document, is not being made to persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Norwegian law. The distribution of the Offer Document and any related documentation in certain jurisdictions may be restricted or affected by the laws of such jurisdictions. Accordingly, copies of the Offer Document and related documentation are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into, or from any such jurisdiction. Therefore, persons who receive this communication (including, but not limited to, nominees, trustees and custodians) and are subject to laws of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, SBB disclaims any responsibility or liability for the violations of any such restrictions by any person.

The Consideration Shares to be delivered in connection with the Offer have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state or jurisdiction in the United State and may not be offered or sold in the United State absent registration or an exemption from registration. Consequently, the Offer is not being made available in or into the United States if to do so would constitute a violation of the U.S. Securities Act. In the United States, the Offer is being furnished on a confidential basis solely for the purposes of enabling an Entra Shareholder that is reasonably believed to be a QIB to consider accepting the Offer. The Offer, and the information contained in the Offer Document and related documentation, have been provided by SBB and other sources identified therein. Distribution of the Offer Document to any person other than the offeree specified by the Financial Advisor or its representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of SBB, is prohibited. The Offer, including the Offer Document, the Acceptance Form and related information, is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Consideration Shares or subscribe for or otherwise acquire any shares in SBB.

The Offer is not being made, and the Offer Document, this Acceptance Form or any related documentation may not be distributed, directly or indirectly, in or into, nor will any tender of Entra Shares be accepted from or on behalf of holders in any jurisdiction in which the making of the Offer, the distribution of the Offer Document or the acceptance of any tender of Entra Shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Norwegian law, and no payment of the Cash Consideration will be made into any such jurisdiction. Please refer to the Offer Document for additional restrictions for the Offer.

By signing this Acceptance Form, you confirm that you are not from, resident of, or send the Acceptance Form from any such jurisdiction where participation would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Norwegian law and that you do not act on behalf of any person from, resident of, or have been provided with instructions from, any such jurisdiction.

The Offer, and any agreements entered into between SBB and shareholders of Entra in connection with the Offer, shall be governed by and construed in accordance with the laws of Norway. The courts of Norway shall have the exclusive jurisdiction over any dispute arising out of or in connection with the Offer, and the district court of Oslo shall be court in the first instance.

Additional information to be provided for shareholders who are not existing customers of Arctic and who accept the Offer for an amount of NOK 100,000 or above.

All shareholders - Identification of Politically Exposed Persons	Is any beneficial owner, any of the shareholder's executives, or any person signing the acceptance form on behalf of the shareholder a politically exposed person as described below? If yes, please state name(s), position and relation in a separate enclosure.	<input type="checkbox"/> No <input type="checkbox"/> Yes
	By politically exposed person is meant a person who: <ol style="list-style-type: none"> 1. Holds or has held a high public office or post in a state, or international organization B 2. Is an immediate family member of a person as referred to in (1). By an immediate family member is meant a spouse or a partner who pursuant to national legislation is equivalent to a spouse, a child, a spouse or a partner of a child or a parent. 3. Is known to be a close associate of a person as referred to in (1). By a close associate is meant a natural person who is known to be a beneficial owner in a legal arrangement or entity jointly with such person, to have a close business connection to such person, or to be the only beneficial owner in a legal arrangement or entity that in reality was established for the benefit of such person 	
Additional documentation - physical persons	Please attach a certified copy of a passport or similar identification document.	
Additional information - all legal entities ((Not mandatory for listed companies within EU/FATF))	Are there any beneficial owners? <input type="checkbox"/> Yes <input type="checkbox"/> No Please specify the beneficial owners: Please enclose documentation regarding the structure of ownership and control of the legal entity, any beneficiaries or further interests as described under a)-e) above, including for example a shareholders' agreement stating the new shareholder structure. Please state date of birth, nationality and passport no for persons without a Norwegian personal identification number.	
	By beneficial owners are meant natural persons who alone or together with certain close family members, ultimately own or control the customer and/or any individual on whose behalf a transaction or activity is being conducted, e.g. if the person concerned: <ol style="list-style-type: none"> a) Directly or indirectly owns or controls more than 25 percent of the shares or voting rights in a company, with the exception of companies that have financial instruments listed on a regulated market in an EEA state or are subject to disclosure requirements consistent with those that apply to listing on a regulated market in an EEA state, b) Exercises control over the management of a legal entity in a manner other than that referred to in (a), c) According to statutes or other basis is the beneficiary of more than 25 percent of the assets of a foundation, trust or corresponding legal arrangement or entity, d) Has the main interest in the establishment or operation of a foundation, trust or corresponding legal arrangement or entity, or e) Exercises control of more than 25 percent of the assets of a foundation, trust or corresponding legal arrangement or entity. 	
Additional information - all legal entities	Information about the person signing the acceptance form on behalf of the legal entity: Address: Personal identity no.:	
Additional documentation - Norwegian legal entities	Please attach a copy of a certified passport or similar identification document for the person signing the acceptance form on behalf of the legal entity	
Additional documentation - non-Norwegian legal entities	<ul style="list-style-type: none"> • Certificate of registration (not older than 3 months) • Foundation documents / Articles of incorporation / association • Document proving elected / appointed management • Copy of certificate from which it appears who can sign on behalf of the company (if not stated in "certificate of registration" or "articles of association") • Certified copy of valid identification document for the person(s) signing the acceptance form • A document verifying the Client's beneficial owners and their identity, such as the company's share register (not mandatory for listed companies within EU/FATF) • Detailed overview of the Group and ownership structure, including identification of direct and ultimate parent company / top/peak company of the structure (>25 % ownership) • Verification that the company is regulated by a financial supervisory authority/listed on a stock exchange (if relevant) 	

Schedule 1 – U.S. Investor Representation Letter

In order to validly accept the Offer, any person within the United States wishing to accept the Offer must submit a duly executed copy of this U.S. Investor Representation Letter to Samhallsbyggnadsbolaget i Norden AB ("**SBB**") by attaching such letter to a properly completed and signed Acceptance Form that is delivered to the Receiving Agent according to the instructions in the Acceptance Form prior to the acceptance deadline indicated in the Acceptance Form. Capitalised terms used (and not defined) herein shall have the meaning set forth in the combined offer document and exempted document dated 20 January 2021 to which the Acceptance Form and this U.S. Investor Representation Letter are attached.

Shareholder:

Properly completed and signed U.S. Investor Representation Letters should be included with properly completed and signed Acceptance Forms and sent by post, e-mail or delivered by hand to the Receiving Agent:

Arctic Securities AS
P.O. Box 1833 Vikta
NO-0123 Oslo
Phone: +47 21 01 30 40
E-mail: entra@arctic.com

In connection with our proposed tender of Entra shares for the consideration selected in the acceptance form, including, as applicable, cash consideration and SBB Class B common shares (the "**SBB Shares**"), we confirm to SBB that:

- We understand that the SBB Shares received by us will be "restricted securities" as defined under Rule 144 under the U.S. Securities Act.
- We are a "qualified institutional buyer" (a "**QIB**") within the meaning of Rule 144A under the Securities Act of 1933, as amended (the "**U.S. Securities Act**").
- We understand and acknowledge that neither the Offer nor the SBB Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state in the United States and that (i) the offering of the SBB Shares is not being extended to shareholders of Entra or to other investors in the United States, except under limited circumstances designed to avoid an offering that would require registration under the U.S. Securities Act and (ii) if we have elected to received SBB Shares, we will receive such SBB Shares in a transaction exempt from the registration requirements of the U.S. Securities Act.
- We represent that, upon tendering our Entra shares, we will be acquiring the SBB Shares for our own account (or for the account of a QIB for which we are acting as duly authorized fiduciary or agent), in each case for investment and (subject, to the extent necessary, to the sale or other disposition of our property being at all times within our control) not with a view to any distribution or resale of the SBB Shares in the United States or otherwise in violation of the United States securities laws.
- We understand and acknowledge that the SBB Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- We understand and agree that none of the SBB Shares may be transferred, sold or delivered (collectively, a "**transfer**") unless such transfer is made (i) in accordance with Regulation S under the U.S. Securities Act ("**Regulation S**"), (ii) in accordance with Rule 144 under the U.S. Securities Act (if available), (iii) to persons reasonably believed to be QIBs in the United States, (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by SBB of an opinion of counsel or such other evidence that SBB may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- We understand that for so long as such SBB Shares received by us are "restricted securities" within the meaning of U.S. federal securities laws, no such SBB Shares may be deposited into any American depository receipt facility established or maintained by a depository bank, other than a restricted depository receipt facility, and that the SBB Shares will not settle or trade through the facilities of The Depository Trust Company or any other U.S. exchange or clearing system. No representation can be made by the banks as to the availability of Rule 144, Rule 144A or any other exemption under the U.S. Securities Act for the reoffer, resale, pledge or transfer of the SBB Shares.
- We have received a copy of the combined offer document and exempted document dated 20 January 2021 relating to the Offer and such other information as we consider necessary in order to make our investment decision and are not relying on any investigation by, or representation from, any other person.
- The SBB Shares are listed on Nasdaq Stockholm (the "**Stock Exchange**"), and SBB is therefore required to publish or make publicly available certain business and financial information in accordance with the rules and practices of the Stock Exchange (the "**Available Information**"), and we are able to obtain or access the Available Information without undue difficulty. We will not hold the banks or any of their respective affiliates responsible for any misstatements in, or omissions from, any publicly available information, including the Available Information, concerning SBB and, except in the case of their own fraudulent misrepresentation, the banks shall have no liability for any other representations (express or implied) in, or for any omissions from, any other written or oral communication transmitted to us in the course of our evaluation of the SBB Shares. The banks have no obligation to update the Available Information or any publicly available information concerning SBB, or to correct any inaccuracies therein or omissions therefrom, even where a bank is aware of such inaccuracies or omissions.
- We invest in or purchase securities similar to the SBB Shares in the normal course of business and we have: (i) conducted our own investigation with respect to SBB and the SBB Shares; (ii) received and reviewed all information that we believe is necessary or appropriate in connection with acquiring the SBB Shares, upon tendering our Entra shares; (iii) made our own assessment and have satisfied ourselves concerning the relevant tax, legal, currency and other economic considerations relevant to our investment in the SBB Shares; and (iv) sufficient knowledge and experience in financial and business matters and expertise in assessing credit, market and all other relevant risk and are capable of evaluating, and have evaluated, independently the merits, risks and suitability of acquiring the SBB Shares, upon tendering our Entra shares.
- We, and any accounts for which we are acquiring the SBB Shares, upon tendering our Entra shares, are aware that we must bear the economic risk of an investment in the SBB Shares for an indefinite period of time, and we have the ability to bear such economic risk of our investment in the SBB Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the SBB Shares, are able to sustain a complete loss of our investment in the SBB Shares, and we will not look to the banks for all or part of any such loss or losses we may suffer.
- We understand that (i) SBB's corporate disclosure may differ from the disclosure made available by similar companies in the United States; (ii) publicly available information about issuers of securities admitted to trading on the Stock Exchange differs from and, in certain respects, is less detailed than the information that is regularly published by or about listed companies in the United States; and (iii) the regulations governing the Stock Exchange may not be as extensive as those governing the U.S. securities markets.
- We satisfy any and all standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence and any other applicable jurisdictions.
- We understand that these representations and undertakings are required in connection with United States securities laws and that SBB, the banks and their respective affiliates and others (including the banks' legal counsel) will rely upon the truth and accuracy of the acknowledgements, representations, warranties, undertakings and agreements contained herein. We irrevocably authorize SBB and its advisers (including the banks) to produce this acceptance form to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.
- If we are acquiring the SBB Shares for the account of one or more QIBs, we represent that we have sole investment discretion with respect to each such account and that we have full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such account.
- We are empowered, authorized and qualified to acquire the SBB Shares, upon tendering our Entra shares, and the person signing this acceptance form on our behalf has been duly authorized by us to do so.
- We are not acquiring the SBB Shares, upon tendering our Entra shares, as a result of any "general solicitation or general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act) or any "directed selling efforts" (as defined in Regulation S).
- The Receiving Agent is not providing any service to us, making any recommendations to us, advising us regarding the suitability of any transactions we may enter into to buy any SBB Shares, nor providing advice to us in relation to the SBB Shares or SBB.
- If we are a broker-dealer acting as agent on behalf of a customer, we have authority to make, and do make, the statements set forth in this acceptance form on behalf of our customer and have confirmed that our customer is a QIB.
- We undertake promptly, and in any event prior to any attempted tender of our Entra shares, to inform SBB if any of the foregoing statements ceases to be true.

Information concerning the shareholder (mandatory)

Personal identity no./Registration no.	Telephone (daytime)
Legal Entity Identifier, LEI (mandatory for companies/legal entities)	
Name/Company name	
City/country	Date
Signature of shareholder	

APPENDIX B

The auditor's report on the Pro Forma Financial Statements

To the Board of Directors of
Samhällsbyggnadsbolaget i Norden AB

Independent Practitioners' Assurance Report on the compilation of pro forma financial information included in an exempted document

We have completed our assurance engagement to report on the compilation of pro forma financial information of Samhällsbyggnadsbolaget i Norden AB ("SBB") by the Board of Directors and Management of SBB. The pro forma condensed financial information consists of the unaudited condensed pro forma balance sheet as at 30 September 2020, the unaudited condensed pro forma income statement for the year ended 31 December 2019, the unaudited condensed pro forma income statement for the nine months ended 30 September 2020, and related notes as set out in section 7 of the exempted document dated 20 January 2021 issued by SBB (the "Exempted Document"). The applicable criteria on the basis of which the Board of Directors and Management have compiled the pro forma financial information are specified in Annex 20 to Commission delegated Regulation (EU) no. 2019/980 supplementing the EU Prospectus Regulation as incorporated in Norwegian law through section 7-1 of the Norwegian Securities Trading Act and described in section 7 of the Exempted Document (the "applicable criteria"). The historical financial information of (i) SBB and of Entra ASA for the nine months ended 30 September 2020; and (ii) Hemfosa Fastigheter AB's for the period 1 January – 22 December 2019, used in the compilation of the Pro Forma Financial Information is unaudited and accordingly we do not accept any responsibility for that information.

The pro forma financial information has been compiled by the Board of Directors and Management to illustrate the impact of:

- (i) the acquisition of all shares in Entra ASA (the "acquisition of Entra ASA") as set out in section 7 of the Exempted Document on SBB's consolidated financial position as at 30 September 2020 and its consolidated financial performance for the year ended 31 December 2019 and the nine months ended 30 September 2020 as if the acquisition of Entra ASA had been completed at 30 September 2020 and 1 January 2019 respectively; and
- (ii) the acquisition of all shares in Hemfosa Fastigheter AB (publ) (the "acquisition of Hemfosa") as set out in section 7 of the Exempted Document on SBB's consolidated financial performance for the year ended 31 December 2019 as if the acquisition of Hemfosa had been completed at 1 January 2019.

As part of this process, information about SBB's, Hemfosa Fastigheter AB's and Entra ASA's consolidated financial position and financial performance has been extracted by the Board of Directors and Management from:

- (i) SBB's and Entra ASA's consolidated financial statements for the year ended 31 December 2019,
- (ii) Hemfosa Fastigheter AB's accounting records for the period 1 January – 22 December 2019; and
- (iii) SBB's and Entra ASA's unaudited condensed consolidated financial information for the nine months ended 30 September 2020.

The auditor's report on SBB's financial statements for the year ended 31 December 2019 has been incorporated by reference in section 17.2.1 of the Exempted Document. The auditor's report on Entra ASA's financial statements for the year ended 31 December 2019 has been incorporated by reference in section 17.2.2 to the Exempted Document.

The Board of Directors' and Management's Responsibility for the Pro Forma Financial Information

The board of Directors and Management are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion, as required by Regulation (EU) no. 2019/980 about whether the pro forma financial information has been compiled by the Board of Directors and Management on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the Board of Directors and Management have compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of SBB. Our work primarily consisted of comparing the unadjusted financial information with the source documents

as described in section 7 of the Exempted Document, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with Management of SBB.

The aforementioned opinion does not require an audit of historical unadjusted financial information, the adjustments to conform the accounting policies of Hemfosa Fastigheter AB and Entra ASA to the accounting policies of SBB, or the assumptions summarized in section 7 of the Exempted Document. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information is solely to illustrate the impact of the acquisition of Entra ASA and the acquisition of Hemfosa on unadjusted financial information of SBB as if the acquisition of Entra ASA and the acquisition of Hemfosa occurred or had been undertaken at an earlier date selected for purposes of the illustration. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent SBB's actual financial position or performance. Accordingly, we do not provide any assurance that the actual outcome of (i) the acquisition of Entra ASA at 30 September 2020, for the year ended 31 December 2019 or the nine months ended 30 September 2020; and (ii) the acquisition of Hemfosa for the year ended 31 December 2019, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis stated involves performing procedures to assess whether the applicable criteria used by the board of Directors and Management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of SBB.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated in section 7 of the Exempted Document; and
- b) that basis is consistent with the accounting policies of SBB.

This report is issued for the sole purpose of offering of common class B shares in connection with SBB's voluntary offer to acquire all outstanding shares in Entra ASA as set out in the Exempted Document. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the listing and issuance of shares described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the offering of common class B shares in connection with SBB's voluntary offer to acquire all outstanding shares in Entra ASA, as set out in the Exempted Document.

Stockholm, 20 January 2021

ERNST & YOUNG AB

Mikael Ikonen
Authorized Public Accountant

APPENDIX C
Valuation Reports

VALUATION REPORT

Report Date	26 th of November 2020
Addressee	Samhällsbyggnadsbolaget i Norden AB (publ) Strandvägen 1 114 51 Stockholm (hereinafter referred to as "SBB" or the "Company")
The Properties	The properties as listed in the Schedule of Properties set out in Appendix A below.
Property Description	Residential and Commercial
Ownership Purpose	Investment
Instruction	To value without inspection the unencumbered freehold-equivalent or leasehold interests in the Properties on the basis of Fair Value as at the Valuation date in accordance with the terms of engagement entered into between CBRE Sweden AB and the addressee dated 11 th of November 2020.
Valuation Date	19 th of November 2020 With reference to RICS Global Valuation Practice Statement 3 2.2 (f) 2, in issuing this valuation report as at the report date stated above no consideration has been given to any changes in the circumstances of any property nor to any market changes which may have occurred since the valuation date.
Capacity of Valuer	External Valuer, as defined in the RICS Valuation – Global Standards 2020.
Purpose	<p>The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Global Standards 2020 ("Red Book"). We understand that our valuation report and the Appendices to it (together the "Valuation Report") is required for inclusion in a document prepared in accordance with Article 1(4)(f) of Regulation (EU) 2017/1129 (the "Prospectus Regulation") (the "Exempt Document") which is to be published by SBB in connection with an offer for the entire issued and to be issued share capital of Entra ASA, a company listed on the Oslo Stock Exchange (Oslo Børs) (the "Takeover"). The effective date of valuation is 19 November 2020.</p> <p>In accordance with the RICS Valuation – Global Standards 2020 which incorporate the International Valuation Standards ("Red Book") we have made certain disclosures in connection with this valuation instruction and our relationship with SBB.</p>

Fair Value

SEK 3,195,500,000 (Three Billion, One Hundred and Ninety-Five Million, Five Hundred Thousand Swedish Kronor) exclusive of VAT.

We confirm that the "Fair Value" reported above, for the purpose of financial reporting under International Financial Reporting Standards is effectively the same as "Market Value".

Our opinion of Fair Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

For the avoidance of doubt, we have valued the Properties as share deals which is market practise in Sweden and the values reported herein represent 100% of the market values of the assets. No account has been taken in reporting these fair values of the extent of SBB interests in the companies holding the subject Properties.

There are no negative values to report.

76 of the properties are held freehold-equivalent and 1 property is held leasehold; the leasehold property accounts for a small portion of the total value of the portfolio.

Market Conditions

Novel Coronavirus (COVID – 19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied – in varying degrees – to reflect further 'waves' of COVID-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Rental Income

The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is likely that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.

Report Format

Appendix A of this Valuation Report contains the Schedule of Properties. Appendix B provides the aggregate fair values by region. Appendix C provides the individual property details.

This Valuation Report consists of a total of 15 pages excluding CBRE Standard terms of business.

Compliance with Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2020 which incorporate the International Valuation Standards (“the Red Book”).

The valuations are compliant with the International Valuation Standards, and are in accordance with paragraphs 128 to 130 of the ESMA update of the Committee of European Securities Regulators’ (CESR) recommendations for the consistent implication of the European Commission Regulation (EC) no. 809/2004 implementing the Prospectus Directive and the Oslo Stock Exchange requirements.

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the Valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the valuer’s independent professional opinion of the value of the subject property as at the Valuation date.

Assumptions

The Property details on which the Valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figure may also be incorrect and should be reconsidered.

Variation from Standard Assumptions

None

Valuation without Inspection

We have been instructed to undertake the valuations on a desktop basis, without inspection of the properties. Accordingly, these valuations are on the basis of restricted information and it cannot be precluded that there may be matters material to the values of the properties of which CBRE is not aware.

Valuation Methodology

Income Approach – Cash Flow Analysis

The market value has been assessed upon the assumptions and estimations provided in this report. The main methodology used is a cash-flow calculation based on estimations of the property's ability to generate a future annual net operating income over a period of ten years. In the analysis both the present value of the annual incomes and the present value of the exit value are calculated. These forms together with extraordinary investments or benefits the market value. Furthermore a cash-flow analysis works as an illustration of the liquidity. We have taken a forecast income stream and discounted this with an estimated discount rate to arrive at a present value for the income stream. The terminal or exit value is calculated by taking the estimated market value at the end of the valuation period applied with a discount rate to arrive at a net present value. The estimated market value is determined with the first year's net operating income after the valuation period i.e. year 11th net operating income, capitalised with an exit yield.

A direct comparison approach has also been used with comparable evidence on other freehold and leasehold properties.

For assets which is held for sale the market value has been estimated as the selling price to the condominium deducted with the remaining estimated cost.

ESMA 130 (vi)

ESMA paragraph 130 (vi) requires us to comment on any differences between the valuation figure in this Valuation Report and the valuation figure included in SBB latest published annual accounts which were as at 31 December 2019.

CBRE did not value the properties for the annual accounts as at 31 December 2019. Differences between the valuations included in SBB's latest published annual accounts and CBRE's present valuation may be attributable to a number of factors, including but not limited:

- Changes to tenancies,
- Market movement,
- Different valuation assumptions may have been made as to inputs including future occupancy levels, tenant turnover ("churn"), non-recoverable costs and capital expenditure.
- CBRE's opinion of market rents, yields and discount rates may differ from those assumed by SBB.

Market Conditions

The values stated in this report represent our objective opinion of Fair Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

Valuer

The Properties has been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book.

Independence

The total fees, including the fee for this assignment, earned by CBRE Sweden AB (or other companies forming part of the same group of companies within Sweden) from SBB (or other companies forming part of the same group of companies) is less than 5.0% of the total revenues.

We confirm that we do not have any material interest in SBB or the Properties.

Previous Involvement and Conflicts of Interest

We confirm that we have previously valued the properties for behalf of SBB. We undertook a valuation as at 30 September 2020 for internal purposes.

We do not consider that any conflict of interest arises in us preparing this Valuation Report and SBB have confirmed to us that it also considers this to be the case.

We confirm that we don't have other any current or recent involvement with SBB.

Responsibility

We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Valuation Report complies with the Oslo stock exchange prospectus rules and Paragraphs 128 to 130 of the ESMA update of CESR'S recommendations for the consistent implementation the European Commission Regulation (EC) No. 809/2004 implementing the Prospectus Directive.

Save for any responsibility arising under the above to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Report or our statement, required by and given solely for the purposes of complying with the Prospectus Regulation ((EU) 2017/1129) effective from 21 July 2019.

Reliance

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents, except as set out in "Responsibility" above.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation (as set out above).

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Before this Valuation Report, or any part thereof, is disclosed orally or otherwise to a third party, CBRE's written approval of the form and context of such publication or disclosure must first be obtained. Such publication or disclosure will not be permitted unless where relevant it incorporates the Assumptions referred to herein. For the avoidance of doubt, such approval is required whether or not

CBRE is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

Yours faithfully



Daniel Holmkvist
MRICS, RICS Registered Valuer
By Samhällsbyggarna certified valuer

Executive Director

For and on behalf of
CBRE Sweden AB



Alexander Vintermist
MRICS, RICS Registered Valuer
By Samhällsbyggarna certified valuer

Senior Director

For and on behalf of
CBRE Sweden AB

SOURCES OF INFORMATION AND SCOPE OF WORKS

Sources of Information We have carried out our work based upon information supplied to us by SBB as set out within this report, which we have assumed to be correct and comprehensive.

We have been provided with

- Rent Rolls as at 30 September 2020 for residential and commercial areas

SBB have confirmed to us in writing that:

There were no changes to the rent roll between 30 September and 19 November 2020,

There are no environmental issues with any of the properties,

There are no major capital expenditure plans for any of the properties.

We have requested but not been provided with details of operating costs for the properties.

The Properties

Our report contains a brief summary of the Property details on which our Valuation has been based.

Inspection

The valuation is according to the scope of work agreed with SBB, to provide valuations on a desktop basis, without inspection.

However, the following Properties were inspected externally between 10 November to 17 November 2020:

Property	Municipality	Property	Municipality
Gullbernahult 26	Karlskrona	Ador 11	Oskarshamn
Fregatten 16	Karlskrona	Ador 9	Oskarshamn
Ingefäran 3	Oskarshamn	Färbo 30:2	Oskarshamn
Backus 19	Oskarshamn	Tornadon 7 & Orkanen 31	Oskarshamn
Backus 13	Oskarshamn	Orion 4	Oskarshamn
Verkstaden 7	Oskarshamn	Mo 1:2 & 1:35	Karlskrona
Verkstaden 8	Oskarshamn	Fjärilen 13	Södertälje
Älvehult 1:216	Oskarshamn	Fjärilen 17	Södertälje
Vile 1	Oskarshamn	Fjärilen 18	Södertälje
Bryggaren 19	Oskarshamn	Isbjörnen 5	Södertälje
Njord 5	Oskarshamn	Jasminen 5	Södertälje
Ador 10	Oskarshamn	Jupiter 4	Södertälje
Ekorren 7	Oskarshamn	Kastanjen 6	Södertälje
Norrtorn 82	Oskarshamn	Oxelbäret 2	Södertälje
Fisken 2	Oskarshamn	Rönnbäret 1 & 2	Södertälje
Frej 6	Oskarshamn	Slånbäret 4	Södertälje
Wiola 7	Oskarshamn	Trollsländan 1	Södertälje
Färbo 8:13	Oskarshamn	Vallentuna-Rickeby 1:40	Vallentuna
Färbo 12:3	Oskarshamn	Noshörningen 15	Södertälje
Måsen 2	Oskarshamn	Bromsen 3	Södertälje

The above properties were selected for external site visits and total 40 properties and circa 57% of the total portfolio value.

Areas	We have not measured the Properties but have relied upon the floor areas provided to us by SBB, as set out in this report, which we have assumed to be correct and comprehensive. We have been advised that these areas have been calculated using the Gross External Area measurement methodology as set out in Swedish Standard for area measurement (SS 21054:2009).
Environmental Matters	<p>We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.</p> <p>We have not carried out any investigations into the past or present uses of the Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.</p> <p>SBB has confirmed that there are no Environmental matters known to them on any of the subject properties.</p>
Services and Amenities	We understand that all main services including water, drainage, electricity and telephone are available to the properties. None of the services have been tested by us.
Repair and Condition	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
Town Planning	We have assumed that the buildings are erected in line with local plans.
Titles, Tenures and Lettings	<p>Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title including relevant deeds, leases and planning consents is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.</p>

VALUATION ASSUMPTIONS

Introduction

An Assumption is defined in the Red Book Glossary and Appendix 3 to be a "supposition taken to be true" (an "Assumption").

Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.

SBB has confirmed and we confirm that our Assumptions are correct as far as SBB and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.

For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Fair Value or Market Value under the Red Book.

Capital Values

The Valuation has been prepared on the basis of "Fair Value", which is defined as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

"Fair Value", for the purpose of financial reporting under International Financial Reporting Standards is effectively the same as "Market Value", which is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

Taxation, Costs and Realisation Costs

As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.

Our valuations reflect purchasers' statutory and other normal acquisition costs.

VAT

All rents and capital values stated in this report are exclusive of VAT.

Net Annual Rent

Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:

- (i) ignoring any special receipts or deduction arising from the property;
- (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".

Estimated Net Annual Rental Value

The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

Rental Values

Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:

"The estimated amount for which an interest in real property should be leased on the Valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Lease Expiries

Fixed-term leases frequently incorporate either tenants' options to extend or tenants' break clauses; other leases are rolling to indeterminate, subject to stated notice periods. For the purposes of our valuations, we have made assumptions as to appropriate presumed expiry dates.

Any weighted average unexpired terms indicated in our Valuation report reflect these assumptions.

The Properties

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

[a] the properties are not contaminated and are not adversely affected by any existing or proposed environmental law;

[b] any processes which are carried out on the properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.

[c] that the properties possess current Energy Performance Certificates (Energieerklärung) under local legislation.

[d] the properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

[e] that invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the properties. Advisory groups have advised that there may be a risk, in specified

circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

Repair and Condition

In the absence of any information to the contrary, we have assumed that:

[a] there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the properties;

[b] the properties are free from rot, infestation, structural or latent defect;

[c] no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the properties; and

[d] the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

[a] the properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;

[b] all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

[c] the properties are not adversely affected by town planning or road proposals;

[d] all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

[e] only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the properties to comply with the provisions of the relevant disability discrimination legislation;

[f] there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

[g] tenants will meet their obligations under their leases;

[h] there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

[i] where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;

[j] vacant possession can be given of all accommodation which is unlet or is let on a service occupancy

VALUATION PARAMETERS

General

The assessment of Fair Value is based on future cash flows, which reflect normal market expectations taking into account past figures from the subject assets or comparable investments. The valuation parameters have been assessed by CBRE, using its best judgement, based on the information provided by SBB.

Non- Recoverable Management Costs

Residential leases generally involve non-recoverable management costs. For the purposes of this valuation and on the basis of the experience of CBRE and on analysis of costs of public and private housing associations, non-recoverable management costs have been allowed for at between 10 to 30 SEK per sq.m.

Non-Recoverable operating cost

The annual costs per square metre of lettable area adopted for the purposes of this valuation are average figures for the type use concerned, arrived at on the basis of the experience by CBRE and on analysis of costs of similar buildings by third-party firms. They take into account the necessary cost inputs for long-term operation of the assets. The operating cost allowed for in the valuation are between 60 to 355 SEK per sq.m

Non-Recoverable maintenance cost

For the purposes of this valuation and on the basis of the experience of CBRE and on analysis of costs of public and private housing associations, non-recoverable maintenance costs have been allowed for at between 50 to 120 SEK per sq.m.

Inflation

The DCF method used includes an explicit reflection of inflation forecast at 1.0% for 2021 and 2.0% from 2022 over the rest of the cashflow period. Full allowance for inflation has been made for maintenance and repair costs, management and operating costs and ground rents. Inflation. The sources are Consensus Forecast and the Riksbank goal for the inflation.

Discount Rate and capitalisation rate

The Capitalisation Rate is derived from the yield achieved in transactions involving residential properties that were observed by CBRE and reflects the market situation as well as the yield expectations of a potential investor. It includes rental growth assumptions implicitly. The Discount Rate, which explicitly reflects rental growth in the cash flows, is derived from the Capitalisation Rate plus the average rental growth.

The Discount Rate and Capitalisation Rate are adjusted individually for each local market to be valued, in accordance with the following criteria:

- quality of the location
- demand and levels of value in the relevant local real estate market
- the prospects for the local market
- development of rents and prices (yield compression)
- the current letting situation in property
- the nature of the asset, size and condition
- additional risk adjustments

The Capitalisation Rate is used to capitalise the net rental income after the cashflow period ("Exit Value"). This net income comprises the assumed rental income at that time less the non-recoverable costs and vacancy.

The resulting present values were checked against our CBRE transaction database as well as official databases for transactions. If, in particular instances, results of our DCF calculations were found not to reflect the Fair Value of an individual building, the calculation was adjusted by means of a change in the discount rate and Capitalisation Rate using expert and experienced judgement.

For the subject properties, we have adopted a weighted discount rate of 6.45% and an average capitalisation rate of 4.4%.

Rents

Residential rents in Sweden are in general rent controlled. The estimated of Residential rental growth has been estimated in line with inflation, 1.0 % for 2021 and 2 % from 2022 per year over the 10-year cash-flow period.

Structural vacancy

We are assuming in our valuation that the weighted average structural vacancy rate of the portfolio is 0.9% with a range of 0% to 8.9% at asset level.

Purchaser's cost

In Sweden it is standard practise to sell multifamily houses and commercial properties by selling all the shares in the company owning the asset. It is also standard practise among Swedish valuers to report the value without taking vendor or purchasers' costs into account.

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APPENDIX A: PROPERTY INFORMATION

Investment properties

Property	Municipality	Tenure	Area
Gullbernahult 26	Karlskrona	Freehold	12 829
Fregatten 16	Karlskrona	Freehold	5 485
Ingefäran 3	Oskarshamn	Freehold	1 638
Backus 19	Oskarshamn	Freehold	805
Backus 13	Oskarshamn	Freehold	836
Verkstaden 7	Oskarshamn	Freehold	606
Verkstaden 8	Oskarshamn	Freehold	542
Älvehult 1:216	Oskarshamn	Freehold	598
Vile 1	Oskarshamn	Freehold	198
Bryggaren 19	Oskarshamn	Freehold	256
Njord 5	Oskarshamn	Freehold	1 512
Ador 10	Oskarshamn	Freehold	1 139
Ekorren 7	Oskarshamn	Freehold	843
Norrton 82	Oskarshamn	Freehold	3 858
Fisken 2	Oskarshamn	Freehold	4 212
Frej 6	Oskarshamn	Freehold	4 173
Wiola 7	Oskarshamn	Freehold	2 788
Fårbo 8:13	Oskarshamn	Freehold	808
Fårbo 12:3	Oskarshamn	Freehold	1 017
Måsen 2	Oskarshamn	Freehold	709
Ador 11	Oskarshamn	Freehold	883
Ador 9	Oskarshamn	Freehold	923
Fårbo 30:2	Oskarshamn	Freehold	557
Tornadon 7 & Orkanen 31	Oskarshamn	Freehold	1 576
Orion 4	Oskarshamn	Freehold	2 172
Kråkan 1	Avesta	Freehold	6 530
Majsen 3	Avesta	Freehold	13 781
Ingeborgbo 3:24	Avesta	Freehold	293
Ingeborgbo 5:19	Avesta	Freehold	320
Ingeborgbo 63:13	Avesta	Freehold	210
Ingeborgbo 1:15	Avesta	Freehold	630
Ingeborgbo 43:2	Avesta	Freehold	1 134
Ingeborgbo 2:51	Avesta	Freehold	1 052
Ingeborgbo 3:37	Avesta	Freehold	1 034
Ingeborgbo 1:31	Avesta	Freehold	323
Harndals Bruk 2:23	Avesta	Freehold	3 416
Harndals Bruk 2:24	Avesta	Freehold	2 321
Mo 1:2 & 1:35	Karlskrona	Freehold	6 080
Ingeborgbo 47:1	Avesta	Freehold	666

Property	Municipality	Tenure	Area
Jämtbo 23	Avesta	Freehold	6 063
Ollarsbo 14	Avesta	Freehold	3 126
Orren 10	Avesta	Freehold	1 578
Skogsbo 32:2	Avesta	Freehold	2 234
Skogsbo 32:3	Avesta	Freehold	2 273
Skogsbo 32:97	Avesta	Freehold	489
Skogsbo 43:1	Avesta	Freehold	1 523
Västanfors 6:26	Avesta	Freehold	491
Västanfors 6:41	Avesta	Freehold	642
Västanfors 6:42	Avesta	Freehold	646
Västanfors 6:8	Avesta	Freehold	1 048
Bromsen 3	Södertälje	Freehold	3 406
Centrum 13:2	Enköping	Freehold	1 315
Centrum 19:6	Enköping	Freehold	2 369
Centrum 23:7	Enköping	Freehold	3 544
Centrum 25:12	Enköping	Freehold	3 022
Centrum 27:1	Enköping	Freehold	1 777
Centrum 5:8	Enköping	Freehold	3 429
Fjärilen 13	Södertälje	Freehold	2 106
Fjärilen 17	Södertälje	Freehold	1 076
Fjärilen 18	Södertälje	Freehold	1 241
Isbjörnen 5	Södertälje	Freehold	1 167
Jasminen 5	Södertälje	Freehold	2 226
Jupiter 4	Södertälje	Freehold	870
Jörsön 1:315-317	Tierp	Freehold	2 593
Jörsön 1:36	Tierp	Freehold	2 954
Kastanjen 6	Södertälje	Freehold	1 624
Oxelbäret 2	Södertälje	Freehold	930
Rönnbäret 1 & 2	Södertälje	Freehold	1 931
Slämbäret 4	Södertälje	Freehold	822
Söderfors Bruk 1:151	Tierp	Freehold	1 641
Söderfors Bruk 1:66, 1:68, 1:69	Tierp	Freehold	5 657
Trollsländan 1	Södertälje	Freehold	949
Vallentuna-Rickeby 1:40	Vallentuna	Freehold	6 103
Järinge 2	Stockholm	Leasehold	3 342
Fakiren 3	Eskilstuna	Freehold	2 155
Fjärilen 8	Eskilstuna	Freehold	3 812
Noshörningen 15	Södertälje	Freehold	6 495

APPENDIX B: VALUES BY REGION

Cluster	Municipalities included	# Assets	Area (sq.m)	Fair Value (TSEK)
SouthEast Sweden	Karlskrona/Oskarshamn	26	57 041	847 810
Northern Svealand	Avesta/Tierp	28	64 664	794 790
Greater Stockholm	Södertälje, Enköping, Eskilstuna, Vallentuna and Stockholm	23	55 711	1 516 900

Note, there are one asset that are considered have a substantial higher value compare to the others in the portfolio.

CBRE Sweden AB - STANDARD TERMS OF BUSINESS

1. PRELIMINARY

- 1.1. In these Conditions CBRE Sweden AB is referred to as "we", "us" or "our" and the client with whom we contract to supply services is referred to as "you" and "your".
- 1.2. Our responsibility is solely to you and we will perform our services with the reasonable care, skill and diligence expected of competent and properly qualified persons of the relevant disciplines who are experienced in carrying out such services and will act in good faith at all times.
- 1.3. Your contract is with CBRE Sweden AB. No CBRE Sweden AB officer, director, employee, member or consultant contracts with you directly or assumes legal responsibility to you personally in respect of work performed on behalf of CBRE Sweden AB. All correspondence and other outputs sent to you in the course of our appointment with you shall for all purposes be treated as having been sent on behalf of CBRE Sweden AB.
- 1.4. Our services and fees are as stated in our Letter of Instruction.
- 1.5. The terms of our appointment are binding between you and us and may only be varied if mutually agreed in writing with you and accepted in writing by your authorised signatory and one of our Directors or authorised signatories who has signed our letter of appointment.

2. CHARGES AND EXPENSES

- 2.1. If there is a material change in the scope of our instructions, we will agree with you, in writing, an additional or alternative fee arrangement.
- 2.2. Unless expressly stated in our letter of appointment, in addition to our fees, you will (subject to condition 2.3 below) be responsible for all reasonably incurred out-of-pocket expenses including, without limitation, advertising, photocopying, printing and reproduction costs, signboards, mailshots, photography, receptions, plan printing charges, courier charges, travelling costs, overnight accommodation etc., and marketing material of any kind.
- 2.3. If we are responsible for arranging marketing material then we will obtain estimates for the costs of marketing materials and agree them with you before incurring the cost.
- 2.4. All fees quoted in our letter of appointment are exclusive of VAT and other applicable tax, which will be charged at the applicable rate. VAT and/or other applicable tax shall also be payable by you on disbursements and other amounts due, where applicable.
- 2.5. In the event of our appointment being terminated for whatever cause, we reserve the right to charge for the work carried out (even if incomplete) in accordance with the fee basis agreed for the appointment or any subsequent agreed variations to the terms of our appointment.

3. PAYMENT

- 3.1. Our invoices are due for payment according to the payment terms on the invoice.
- 3.2. In the event of late payment, we reserve the right to charge interest in accordance with the Interest Act (1975:635) (*Sw. Räntelagen*) and to charge any reasonable debt collection costs incurred by us in the recovery of any outstanding payments that are properly due by you to us.

4. QUALITY CONTROL AND COMPLAINTS PROCEDURE

- 4.1. Enhancing client satisfaction and continual improvement are key requirements of our systems and we are dedicated to providing you with a first-class personal service.
- 4.2. In the event that you feel that we are falling short of the high standards that we set ourselves in the services we provide, please do let us know. Our Complaints Procedure involves a full investigation of any complaints that we receive and has been designed to comply with the Royal Institution of Chartered Surveyors ("RICS") Rules of Conduct. A written copy of our Complaints Procedure will be made available upon request.

5. LIABILITY

- 5.1. All information that has been or will be supplied to us by you or your representatives has been or will be accepted as being complete and correct unless otherwise stated.
- 5.2. Nothing in this appointment shall exclude or limit a party's liability for death or personal injury caused by that party's negligence, or for fraudulent misrepresentation.
- 5.3. Neither party to the appointment shall be liable to the other party for (i) any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise or (ii) any loss of profits, loss of contracts, loss of revenue, increased costs and expenses or wasted expenditure, whether direct or indirect.

- 5.4. A party shall not be liable to the other party for any failure or delay in performance of its obligations under this appointment where such failure or delay is due to reasons outside its reasonable control.
- 5.5. Our maximum aggregate liability to you arising from or in relation to this appointment (in contract, tort, negligence or otherwise) howsoever arising shall in no circumstances exceed the lower of: (i) 25% of the value of a single property, or in the case of a claim relating to multiple properties 25% of the aggregated value of the properties to which the claim relates (such value being as at the date of this instruction and on the basis identified in the appointment or if no basis is expressed Market Value as defined by the RICS); or (ii) an amount equivalent to CBRE Sweden AB's fee for the Instruction; or (iii) 1 times the price base amount (*Sw. Prisbasbelopp*) or the equivalent at the date of the valuation.
- 5.6. We shall have no liability for any delay or failure to provide the services in accordance with this appointment to the extent that any such delay or failure is caused by either you or a third party for whom you are responsible. Where we are one party liable in conjunction with others, our liability shall be limited to the share of loss reasonably attributable to us on the assumption that all other parties pay the share of loss attributable to them (whether or not they do).
- 5.7. You agree that you will not bring any claim relating to this appointment (in contract, tort, negligence or otherwise) against any CBRE Sweden AB officer, director, employee, member or consultant in their personal capacity.

6. DOCUMENTS

- 6.1. Unless expressly stated in our letter of appointment, all intellectual property rights in all reports, drawings, accounts and other documentation created (the "Documents"), prepared or produced by us in relation to our appointment (including without limitation spreadsheets, databases, electronic mail or any other electronically produced or stored documents) belong to us.
- 6.2. We hereby grant you an irrevocable, royalty free, worldwide licence to use, copy and reproduce the Documents. We shall not be liable for any use of the Documents for purposes other than that for which they were produced.
- 6.3. You are not permitted to include the whole or any part of the Documents in a prospectus, offering document or other publication without our written consent. In the event we consent, in writing, to your incorporating or referencing any of the Documents in any offering documents intended for review by other parties, you shall not distribute, file, or otherwise make such materials available to any such parties unless and until you have provided us with complete copies of the offering documents and we have approved the use of such Documents in all such offering documents in writing. You shall reimburse us for any costs and expenses, including attorneys' fees, arising from legal review of the offering materials on our behalf, where necessary. If you request our approval to use or publish the Documents or any part thereof (including any valuations contained therein) in any external publication, investor briefing or website, or make them available to any third parties whatsoever, you must provide us with a specimen of the text and layout of the article, display or advertisement and identify the intended forum and recipients. If we approve the offering documents, publication or display, you may not vary from the specimen so approved by us.

7. TERMINATION

- 7.1. Our services under the terms of our appointment will terminate when any one of the following events occurs:
 - 7.1.1. The job is finished; or
 - 7.1.2. If you and we consider that it is not in the mutual best interest of the two parties for us to continue to act on your behalf; or
 - 7.1.3. If you do not pay our invoices as they fall due, or we reasonably anticipate that that will be the case; or
 - 7.1.4. With immediate effect if either you or we become subject to any sanction or order whereby it would become illegal or contrary to the other parties' interests to continue working together; or
 - 7.1.5. If either you or we become insolvent, or have a receiver, liquidator, administrator or administrative receiver appointed; or
 - 7.1.6. If either you or we cease or threatens to cease trading.

8. SUPPLEMENTARY TERMS

- 8.1. Valuation appointments only - Where we are acting for you on the valuation of a property or a property portfolio, please refer to the attached Supplementary Terms for Valuation Appointments.

9. MONEY LAUNDERING REGULATIONS

- 9.1 Legislation has imposed on us obligations for mandatory reporting, record-keeping and client identification procedures. We will attempt to verify your details electronically which will include, where applicable, identifying your parent companies, major shareholders, beneficial owners and directors. On occasions we may need to ask you for certain identification documents to ensure we comply with the Regulations. Where such information is requested, you will provide such information promptly to enable us to proceed to provide our services. We shall not be liable to you or any other parties for any delay in the performance or any failure to perform the services which may be caused by our duty to comply with such requirements.
- 9.2 You represent, undertake and warrant that any funds paid by you pursuant to our appointment (if any) are derived from legitimate sources and are not related to proceeds of crime, money laundering or other illegality either directly or indirectly.

10. GENERAL

- 10.1. We do not give legal advice. You should seek legal advice as appropriate from your lawyers. We have no responsibility for the content of any legal advice that is obtained.
- 10.2. We maintain professional indemnity insurance (details available on request).
- 10.3. In relation to your personal data, we comply with our obligations under the EU General Data Protection Regulation 2016/679 ("GDPR") as well as the Swedish Act on data protection (2018:218) and any legislation in force in EU member states from time to time which implements GDPR when providing our services for you. If you require us to process any personal data during the course of providing the services (in circumstances where you are the controller and we would be the processor of the personal data) then the provisions of the Appendix (Data Processing Appendix) to these Conditions shall apply.
- 10.4. The parties to the appointment shall provide all necessary cooperation to ensure that each party complies with Swedish law. We are unable to provide any services to the extent that the provision of such services would amount to a violation of applicable laws or cause us or our affiliates to be in breach of any sanction, prohibition or restriction under the UN Security Council Resolutions or under any other trade or economic sanctions, laws or regulations.
- 10.5. All discussions we have with you, advice we give to you and documentation provided by you to us will be kept confidential, unless we agree with you otherwise, aside from transactional data which is shared with rating agencies and third-party property data service firms for purposes including statistical reporting on industry trends.
- 10.6. You and we agree that it is not intended for any term of the appointment to be enforceable by any third party.
- 10.7. If at any time any part of the appointment is held to be or becomes void or otherwise unenforceable for any reason, then that part will be deemed omitted from the appointment. The validity or enforceability of the remaining parts of the appointment shall not in any way be affected or impaired as a result of that omission.
- 10.8. The appointment, and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation, or otherwise) shall be governed by and construed in accordance with Swedish Law and the exclusive jurisdiction of the Swedish Courts.
- 10.9. This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

Data Processing Appendix

- 10.10. The provisions of this Appendix (the "Data Processing Appendix") form part of the terms of our appointment to the extent that condition 10.3 of the Standard Terms of Business applies.
- 10.11. For the purposes of this Data Processing Appendix:
- 10.12. "Data Protection Laws" means the EU Data Protection Laws and the laws of other states and territories that create and regulate substantially similar concepts and legal principles as are contained in the EU Data Protection Laws in relation to the processing of personal data and sensitive personal data;
- 10.13. "EU Data Protection Laws" means the EU General Data Protection Regulation 2016/679 ("GDPR") and any legislation in force in EU member states from time to time which implements GDPR; and
- 10.14. "data subject", "personal data", "sensitive personal data", "consent", "controller", "processor" and "processing" mean those concepts, roles and activities as defined in EU Data Protection Laws.
- 10.15. We anticipate collecting and processing personal data about relevant business contacts and representatives of you (and where relevant also other entities in your group) in the context of the products and services we provide, including names, email addresses and telephone numbers. We will retain that data whilst we retain a business relationship with you (or

where applicable other members of your group) for the purposes of providing products and services to you (and those members of your group) and for managing our relationship with you (and such other members of your group), which may include contacting you about new or other products and services we might offer from time to time.

- 10.16. We shall:
- 10.17. process the personal data only on documented instructions from you, including with regard to transfers of personal data to a third country or an international organisation, unless required to do so by European Union or the national law of an EU member state to which we are subject. In such a case, we shall inform you of that legal requirement before processing, unless that law prohibits such information on important grounds of public interest;
- 10.18. ensure that persons authorised to process the personal data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;
- 10.19. implement appropriate organisational and technical measures as required pursuant to Article 32 (security of processing) of GDPR;
- 10.20. respect the conditions for engaging another processor referred to in paragraphs 2 and 4 of Article 28 (processor) of GDPR;
- 10.21. taking into account the nature of the processing, assist you by appropriate technical and organisational measures, insofar as this is possible, for the fulfilment of your obligation to respond to requests for exercising the data subject's rights laid down in Chapter III of GDPR;
- 10.22. assist you in ensuring compliance with the obligations pursuant to Articles 32 to 36 of GDPR taking into account the nature of the processing and the information available to us;
- 10.23. at your choice, delete or return all the personal data to you after the end of the provision of services relating to processing, and delete existing copies unless European Union law or the national law of an EU member state to which we are subject requires storage of the personal data;
- 10.24. make available to you all information necessary to demonstrate compliance with the obligations laid down in Article 28 (processor) of GDPR and allow for and contribute to audits, including inspections, conducted by you or another auditor mandated by you (in each case at your cost); and
- 10.25. immediately inform you if, in our opinion, an instruction infringes GDPR or other Data Protection Laws.
11. We acknowledge that nothing in the Agreement relieves us of our own direct responsibilities and liabilities under GDPR.

CBRE Sweden AB - STANDARD TERMS OF BUSINESS

SUPPLEMENTARY TERMS FOR VALUATION APPOINTMENTS (Page 1 of 2)

GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

We set out below the general principles upon which our valuations and reports are normally prepared, which will apply unless specifically mentioned otherwise in the body of the report. We will be pleased to discuss specific variations to suit your particular requirements.

These supplementary conditions should be read in conjunction with our Standard Terms of Business and Letter of Appointment.

1) RICS VALUATION STANDARDS

All valuations are carried out in accordance with the latest edition of the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors, ("the Valuation Standards") and are undertaken by appropriately qualified valuers as defined therein. Where a valuation is undertaken or contributed to by more than one qualified valuer, a list of those valuers will be retained within the working papers.

2) VALUATION BASIS

Unless stated otherwise within the report, we have adopted 'Market Value' and its interpretative commentary as the basis of valuation in accordance with the Valuation Standards, which is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

It should be noted that the interpretive commentary of the Valuation Standards makes it clear that, amongst other things, the valuation assumes that the appropriate marketing period had occurred prior to the valuation date and that simultaneous exchange and completion of the sale took place on the valuation date. Our valuations are, therefore, based upon the facts and evidence available as at the valuation date.

We would also draw your attention to the fact that we are required to assume that the buyer will purchase in accordance with the realities of the current market, and with current market expectations, and that the seller will sell the property at market terms for the best price attainable in the open market after proper marketing, whatever that price may be.

The valuation represents the price that would appear in a hypothetical contract of sale at the valuation date. No allowances are made in our valuations for any expenses of realisation that would be incurred on a sale, or to reflect the balance of any outstanding mortgages, either in respect of capital or interest accrued thereon. Costs of acquisition are also not included in our valuations.

3) INFORMATION SUPPLIED

We have assumed that where any information relevant to our valuation is supplied by you, or by any third party at your instigation, it is correct and comprehensive, and can be safely relied upon by us in preparing our valuation.

4) INSPECTIONS

We undertake such inspections and investigations as are, in our opinion, necessary to produce a valuation which is professionally adequate for its purpose.

5) DOCUMENTATION AND TITLE

Unless specifically instructed, we do not read legal documentation. Where legal documentation is provided to us, we will have regard to the matters therein but recommend that reliance should not be placed on our interpretation thereof without prior verification by your legal advisors.

We assume that the information appearing from the Land Register extract as per the valuation date is correct and that the property is free from any pending litigation.

We further assume that all documentation is satisfactorily drawn and that unless disclosed to us, there are no restrictions, easements, covenants or other outgoing rights other than what is evident from the Land Register extract on the valuation date which would adversely affect the value of the relevant interest(s).

In respect of leasehold properties (Sw. Tomträtt), we will assume that your landlord will give any necessary consents to an assignment.

6) TENANCIES

Unless disclosed to us, it is assumed that all properties are subject to normal outgoings and that tenants are responsible for all repairs, the cost of insurance and payment of rates and other usual outgoings, either directly or by means of service charge provisions.

Unless we state otherwise, it is further assumed that no questions of doubt arise as to the interpretation of the rent review provisions in the lease. We assume that neither the landlord nor the tenant may terminate the lease prematurely.

7) TENANTS' COVENANT STRENGTH

Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or other payments or undisclosed breaches of covenant.

8) AREA

CBRE will rely on the areas provided with a plausibility check.

9) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Unless specifically instructed, we do not normally undertake enquiries to obtain town planning and highway information from the relevant local authority.

Our valuations are prepared on the assumption that the premises comply with all relevant statutory laws and regulations including the Planning and Building Act (2010:900) (Sw. Plan och bygglagen), that all mandatory inspections have been carried out and where required, issues corrected, and that the properties possess current Energy Performance Certificates (EPCs) as required under the law on Energy Performance of Buildings (2006:985) (Sw. Lagen om energideklaration för byggnader). We also assume that all necessary consents, licences and authorisations for the use of the property and the process carried out therein have been obtained and will continue to subsist and are not subject to any onerous conditions.

Unless disclosed to us, we assume that there are no outstanding statutory breaches or impending litigation in respect of the property.

10) BUILDING SURVEYS

Unless specifically instructed, we do not undertake building surveys, nor do we inspect those parts that are covered, unexposed or inaccessible, or test any of the electrical, heating, drainage or other services. Any readily apparent defects or items of disrepair noted during our inspection will, unless otherwise stated, be reflected in our valuation, but no assurance is given that any property is free from defect. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our valuation.

11) HAZARDOUS AND DELETERIOUS MATERIALS

Unless specifically instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuation assumes that no such materials or methods have been used. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool slabs used as permanent shuttering.

12) SITE CONDITIONS

Unless specifically instructed, we do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuation is on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of properties that may have redevelopment potential, we assume that the site has load-bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.

13) ENVIRONMENTAL CONTAMINATION

In preparing our valuation we assume that no contaminative or potentially contaminative use is, or has been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists. Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

14) HIGH VOLTAGE ELECTRICITY SUPPLY APPARATUS

Where there is high voltage electricity supply apparatus within close proximity to the property, unless otherwise stated we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

15) PLANT AND MACHINERY

Our valuation includes those items usually regarded as forming part of the building and comprising landlord's fixtures, such as boilers, heating, lighting, sprinklers and ventilation systems and lifts but generally exclude process plant, machinery and equipment and those fixtures and fittings normally considered to be the property of the tenant.

Where the property is valued as a fully equipped operational entity our valuation includes trade fixtures and fittings and equipment necessary to generate the turnover and profit and it is assumed that these are owned and not leased.

16) TAXATION

In preparing our valuations, no allowances are made for any liability which may arise for payment of corporate taxes or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. We also specifically draw your attention to the fact that our valuation is exclusive of any VAT liability which may be incurred. Unless specifically instructed we have not taken into account the availability of capital allowances.

17) GOVERNMENT GRANTS

All valuations are given without any adjustment for capital based Government or European Community grants received or potentially receivable at the date of the valuation.

18) AGGREGATION

In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the portfolio being put on the market at any one time.

19) PROPERTIES IN OTHER COUNTRIES

Our valuations of properties situated in other countries than Sweden will be reported in the appropriate local currency and represent our opinion of the realisable value in the country of origin, computed in accordance with local practices, with no allowance made for the transfer of funds to Sweden.

20) CONFIDENTIALITY/THIRD PARTY LIABILITY

Our valuations and reports are strictly confidential to the party to whom they are addressed, or their other professional advisors for the specific purpose to which they refer. No third parties may rely upon our valuations and reports and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents without our written approval.

We would draw your attention to the fact that the valuations may be investigated by the Royal Institution of Chartered Surveyors ('RICS'), on a confidential basis, for the purposes of the RICS's conduct and disciplinary regulations, in order to ensure compliance with the Valuation Standards.

21) PUBLICATION

Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally to a third party, without our written approval of the form and context of such publication or disclosure. Such approval is required whether or not CBRE is referred to by name and whether or not the report is combined with others.

22) COMPLAINTS PROCEDURE

In accordance with the RICS Rules of Conduct, we operate a Complaints Procedure. Should you have any reason to complain, please contact our Head of Compliance, CBRE Sweden AB, Stockholm.

GENERAL TERMS AND CONDITIONS FOR VALUATION REPORTS

These General Terms and Conditions have been produced jointly by CBRE Sweden AB, DTZ Sweden AB, Forum Fastighetsekonomi AB, FS Fastighetsstrategi AB, Newsec Advice AB, Savills Sweden AB and Svefa AB. They have been drafted based on generally accepted principles regarding valuations, which are produced by Samhällsbyggarna (Swedish professionals for the built environment) Property Valuation Section and are intended for use by registered valuers at Samhällsbyggarna. The terms and conditions shall apply as of 1 December 2010 for valuations of whole and parts of properties, site leasehold rights, buildings on non-freehold land and similar valuation services in Sweden. The following shall apply unless otherwise stated in the valuation report:

1 Scope of the valuation report

- 1.1 The object of the valuation covers, in the valuation report, the real property or the equivalent stated, with appurtenant rights and obligations in the form of easements, rights of way, community association and other rights or obligations stated in extracts from the Land Register (*Sw. Fastighetsregistret/ The Real Property Register*) pertaining to the object of the valuation.
- 1.2 The valuation report also covers, where applicable, fixtures and fittings of the property and fixtures and fittings of the building relating to the object of the valuation, however not industrial fixtures and fittings to an extent other than as set forth in the report.
- 1.3 Registered rights in respect of the property have been verified by means of an extract from the Land Register. Since the information obtained from the Land Register has been assumed to be accurate and complete, no further investigation has been conducted of the legal relations and rights of use. Legal relations beyond those set forth in the Land Register have only been taken into account to the extent information thereon has been provided in writing by the client/owner or his representative. Other than as set forth in extracts from the Land Register and information provided by the client/owner or his representative, it has been assumed that the object of the valuation is not encumbered by any unregistered easements, right of use agreements or any other agreements which limit, in any respect, the property owner's right to use the property and that the object of the valuation is not encumbered by onerous expenses, fees or other encumbrances. It has also been assumed that the object of the valuation is, in no respect, the subject of a dispute.

2 Assumptions for the valuation report

- 2.1 The information included in the valuation report has been obtained from sources which are deemed to be reliable. All information obtained from the client/owner or his representative and any holders of rights of use has been assumed to be accurate. The information has only been verified through a general assessment of reasonableness. In addition, it has been assumed that no information of relevance to the valuation opinion has been omitted by the client/owner or his representative.
- 2.2 The land areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these land areas and has not measured them on site or on drawings, but the areas have been verified by means of an assessment of reasonableness. The areas have been assumed to be measured in accordance with the "Swedish Standards" applicable from time to time.
- 2.3 As regards tenancies and leasehold conditions relating to land or other rights of use, the valuation opinion has, where applicable, been based on applicable leases of property and leases of land, and other rights of use agreements. Copies of these, or other documents, indicating relevant terms and conditions have been obtained from the client/owner or his representative.
- 2.4 It has been assumed that the object of the valuation complies with all requisite requirements from public authorities and terms and conditions applicable to the property, such as plans, etc., and has obtained all requisite permits from public authorities for its use in the manner stated in the report.

3 Environmental matters

- 3.1 The valuation opinion is conditional on land or buildings relating to the object of the valuation not being in need of an environmental clean-up and there being no form of environmental encumbrance.

- 3.2 In light of the provisions of 3.1, the valuer shall not be liable for any loss incurred by the client or a third party as a consequence of the inaccuracy of the valuation opinion due to the object of the valuation being in need of an environmental clean-up or there being any form of environmental encumbrance.

4 Inspection, technical condition

- 4.1 The physical condition of the facilities (buildings, etc.) as described in the report is based on an overall ocular inspection. The inspection conducted has not been of such a nature as to satisfy the seller's duty of disclosure or the buyer's duty to investigate pursuant to Chapter 4, Section 19 of the Land Law Code (*Sw. Jordabalken SFS 1970:994/Code of Land Laws*). The object of the valuation is assumed to be in a condition and to be of the standard which the ocular inspection indicated at the time of the inspection.
- 4.2 The valuer assumes no liability whatsoever for any latent defects or circumstances which are not obvious on the property, under the ground or in the building and which might affect the value. No liability is assumed for:
 - any matter which would require specialist expertise or special knowledge to discover;
 - the functionality (freedom from defects) and/or the condition of fixtures of buildings, mechanical equipment, pipes or electrical components.

5 Liability

- 5.1 Any claims for damages arising from proven loss arising from any error in the valuation report must be made within one year from the date of the valuation (the date on which the valuation is signed).
- 5.2 The maximum amount of damages which may be payable for proven loss arising from an error in the valuation report is 25 times the price base amount at the date of the valuation.

6 Validity of the valuation report

- 6.1 Depending on whether the factors influencing the market value of the object of the valuation change, the valuation opinion referred to in the report is only valid at the date of the valuation subject to the assumptions and reservations set forth in the report.
- 6.2 Future incoming payments and outgoing payments and growth in value as declared in the report, where applicable, have been made based on a scenario which, in the opinion of the valuer, reflects the future projections of the property market. The valuation opinion does not constitute any undertaking as regards actual future growth in cash flow and growth in value.

7 Use of the valuation report

- 7.1 The content of the valuation report and its appendices is the property of the client and shall be used in its entirety for the purpose set forth in the report.
- 7.2 Where the valuation report is used for legal matters, the valuer shall only be liable for direct and indirect loss which may effect the client provided that the report is used in accordance with 7.1. The valuer shall have no liability whatsoever for any loss incurred by any third party as a consequence of such third party having used the valuation report or information provided therein.
- 7.3 Prior to the valuation report or parts thereof being reproduced or referred to in any other written document, the valuation company must approve the content and the manner in which the report is to be referred to.

Valuation summary

On behalf of Samhällsbyggnadsbolaget i Norden AB (SBB), at the request of Linus Eklund, Savills Sweden AB (Savills) has conducted a market valuation of 427 properties/valuation entities in Sweden. The valuations are according to RICS/IVS recommendations and are drafted and reported in accordance with paragraph 128-130 in ESMA's update of CESR's recommendations. Inspections of properties and valuation entities are carried out continuously through the assignment. Valuation date is 2020-09-30.

The valuation is based on a cash flow analysis where value of the properties is based on net present value of forecasted cash flows as well as the residual value during a calculation period of ten years. However, taking into account lease contracts that are extended beyond ten years. The assumptions regarding the future cash flows are based on the analysis of:

- Current and historical rent and costs
- The market/local area's future development
- Property conditions and position in each market segment
- Existing relevant lease conditions
- Market rental terms when leases expire
- Operating and maintenance costs of similar properties in comparison with the costs in the actual properties
- Investment and maintenance plans

Based on the analysis, the resulting net operating income during the cash flow period and the residual value at the end of the cash flow period has been discounted with an estimated discount rate. The value affecting parameters used in the valuations corresponds with Savills interpretation, based on completed and discussed transactions, of how investors and other market participants think and operate. Thus, the sum of resulting net operating income and residual value should be taken as an expression of the market value.

Upon request, we hereby confirm that according to the assessments made by Savills Sweden, the market value of the valued 427 valuation entities amount to a rounded value of SEK **20,388,000,000 (Twenty billion threehundredeighty eight million)** of which freehold properties (400) amount to SEK 18,941 million and leasehold properties (27) amount to SEK 1,448 million, see valuation summary in Appendix 1.

Stockholm 30th September 2020
Savills Sweden

A handwritten signature in blue ink, appearing to read "Marcus Kindbom".

Marcus Kindbom, MRICS
By Samhällsbyggarna authorised valuer

A handwritten signature in blue ink, appearing to read "Patrick Andersson".

Patrick Andersson
By Samhällsbyggarna authorised valuer

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Valkyrian 2	Oskarshamn				F	X
Norrtern 83	Oskarshamn				F	X
Lejonet 19	Oskarshamn				F	X
Lejonet 12	Oskarshamn				F	X
Saturnus 6	Oskarshamn				F	X
Kajan 3	Oskarshamn				F	X
Skepparen 1	Oskarshamn				F	X
Vesta 1	Oskarshamn				F	X
Vesta 5, 14	Oskarshamn				F	X
Odin 6, 7, 11	Oskarshamn				F	X
Odin 8	Oskarshamn				F	X
Odin 1	Oskarshamn				F	X
Rosen 2	Oskarshamn				F	X
Nestor 6	Oskarshamn				F	X
Diana 4 (inkl nya)	Oskarshamn				F	X
Tränsen 13	Oskarshamn				F	X
Filen 5	Oskarshamn				F	X
Nejlikan 4	Oskarshamn				F	X
Palmen 2	Oskarshamn				F	X
Gasellen 28	Oskarshamn				F	X
Älvehult 1:215, 1:217	Oskarshamn				F	X
Älvehult 1:172 fd 2:18	Oskarshamn				F	X
Emmekalv 4:152 och fd 4:55, 4:147, 4:153	Oskarshamn				F	X
Kusken 1 & 2	Oskarshamn				F	X
Mönstringen 1	Oskarshamn				F	X
Mönstringen 2	Oskarshamn				F	X
Döderhult 1:191	Oskarshamn				F	X
Solrosen 3	Oskarshamn				F	X
Draglädret 1	Oskarshamn				F	X
Gripen 3	Oskarshamn				F	X
Midgård 11	Oskarshamn				F	X
Gasellen 12	Oskarshamn				F	X
Haren 3	Oskarshamn				F	X
Torrdockan 1	Oskarshamn				F	X
Apollo 14	Oskarshamn				F	X
Merkurius 4	Oskarshamn				F	X
Mars 13	Oskarshamn				F	X
Fabrikören 29	Vimmerby				F	X
Västland 26:39	Sundsvall				F	X
Fålnäs 4:4 och 4:8	Söderhamn				F	X
Brunnsbacken 1	Söderhamn				F	X
Siskan 3 och 4	Söderhamn				F	X
Del av Härsta 9:3	Sundsvall				F	X
Länsmansängen 1	Oskarshamn				F	X
Måsen 1	Oskarshamn				F	X
Varberg 1	Jönköping				F	
Skymningen 1 & Solnedgången 1	Växjö				F	X
Hov Dalbogård 3 o 4	Växjö				F	X
Mjården 1 (Växjö)	Växjö				F	X
Sparbanken 28	Skara				F	X
Sigyn 1	Skara				F	X
Hermod 1	Skara				F	X
Hermod 2	Skara				F	X
Hermod 3	Skara				F	X
Balder 12 & 24	Skara				F	X
Yggdrasil 1 & 2	Skara				F	X
Valhall 5	Skara				F	X
Hermod 4	Skara				F	X
Balder 27	Skara				F	X
Stensiken 1	Tidaholm				F	X

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Sparbanken 29	Skara				F	X
Bergsjön 15:3	Göteborg				L	X
Väpnaren 6, Stallnekten 1 & Härolden 1	Borås				F	X
Priorn 6	Borås				F	X
Klövervallen 1	Borlänge				F	X
Ärtskidan 1	Borlänge				F	X
Veteaxet 1	Borlänge				F	X
Lisselhaven 4	Borlänge				F	X
Vårholmen 6	Stockholm				L	X
Kvarnluckan 1 & 2	Stockholm				L	X
Odéon 18	Höganäs				F	X
Ekorren 2	Höganäs				F	X
Flora 5	Höganäs				F	X
Jupiter 11	Höganäs				F	X
Kaktusen 29, 30, 33	Höganäs				F	X
Möllan 31	Höganäs				F	X
Stataren 2	Höganäs				F	X
Thor 15	Höganäs				F	X
Stataren 1	Höganäs				F	
Adjunkten 2	Linköping				F	X
Anders 8	Linköping				F	X
Bankeberg 11:279	Linköping				F	X
Hornet 13	Linköping				F	X
Importavtalet 2	Linköping				F	X
Ingebo 1:69	Linköping				F	X
Isglassen 2	Linköping				F	X
Ishinnan 1	Linköping				F	X
Simmarens 10	Linköping				F	X
Simmarens 15	Linköping				F	X
Ullstorp 8:50	Linköping				F	X
Västerlösa 15:26	Linköping				F	X
Gällstad 1:292	Linköping				F	X
Naturriket 11	Linköping				F	X
Nässelfröet 1	Linköping				F	X
Nässeltråden 1	Linköping				F	X
Rymdattacken 1	Linköping				F	X
Rymdattacken 2	Linköping				F	X
Rymden 1	Linköping				F	X
Rystads-Tuna 1:38	Linköping				F	X
Staby 12:162	Linköping				F	X
Svinstad 3:112	Linköping				F	X
Tandkronan 5	Linköping				F	X
Tandkronan 6	Linköping				F	X
Kvarnhöjden 1	Karlskrona				F	X
Verkö 3:118	Karlskrona				F	X
Gullbernahult 31	Karlskrona				F	X
Monsunen 1	Karlskrona				F	X
Nevishög 13:89	Staffanstorps				F	X
Pelaren 2	Malmö				F	X
Arvid 1	Kävlinge				F	X
Kristallen 1 - 3	Kävlinge				F	X
Linfröet 1	Åstorp				F	
Sandhammaren 4	Kävlinge				F	X
Servitutet 2	Kävlinge				F	X
Bordet 1	Borlänge				F	
Lunden 1	Malung-Sälen				F	
Sandsberg 6:67	Falun				F	
Urberget 3	Borlänge				F	
Passaren 9	Malung-Sälen				F	
Bäckehagen 54:386	Falun				F	

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Högbo 1:22	Falun				F	
Rörbäcksnäs 11:119	Malung-Sälen				F	
Heden 6:108	Ljusnarsberg				F	
Othem Kilåkern 3	Gotland				F	
Hemse Storken 11	Gotland				F	
Klinte Odvalds 1:30	Gotland				F	
Klinte Sicklings 5:22	Gotland				F	
Visby Melonen 3	Gotland				F	
Visby Buntmakaren 6	Gotland				F	
Visby Korgmakaren 5	Gotland				F	
Vitsippan 6	Borgholm				F	
Rödhaken 2	Borgholm				F	
Högsrum 5:116	Borgholm				F	
Öland 4	Borgholm				F	
Lasarettet 8	Karlshamn				F	X
Allarp 2:501	Laholm				F	
Gullbernahult 23	Karlskrona				F	X
Gröngarn 1:5	Enköping				F	X
Gånsta 60:1	Enköping				F	X
Illern 1 (Flen)	Flen				F	X
Rådjuret 1	Flen				F	X
Sköldinge-Ramsta 1:180	Katrineholm				F	X
Sjöstjärnan 1	Katrineholm				F	X
Ärtsinglet 4	Nykvarn				F	X
Ekhammar 4:405	Upplands-Bro				F	X
Ekhammar 4:408	Upplands-Bro				F	X
Lejonet 21	Katrineholm				F	X
Skyttegillet 7	Västerås				F	X
Brottberga 6:30	Västerås				F	X
Martinprocessen 9	Västerås				F	X
Kovan 14	Flen				F	X
Mellösa-Näs 13:6	Flen				F	X
Nyhyttan 10:3	Nora				F	
Bergsäng 2:20	Nora				F	
Porla 7:1	Laxå				F	
Vårdaren 2	Strängnäs				F	X
Boden 56:43	Boden				F	
Härsta 9:5	Sundsvall				F	X
Hermes 4	Sundsvall				F	X
Pärilspridaren 1	Östersund				F	
Ponnyn 1 & 2	Östersund				F	
Högsjö-Dal 2:38	Härnösand				F	
Backberg 1:55	Sandviken				F	
Guldhamstern 1	Boden				F	X
Björken 3	Boden				F	X
Fagernäs 8:20	Boden				F	X
Harads 25:19	Boden				F	X
Poppeln 4	Boden				F	X
Tuppen 1	Boden				F	X
Boden 56:19	Boden				F	X
Kusmark 63:32 & 56:2	Skellefteå				F	
Grindäng 1:13	Nyköping				F	X
Sandstenen 4	Nyköping				F	X
Flockliljan 1	Nyköping				F	X
Nälberga 1:246	Nyköping				F	X
Gryt 4:12	Nynäshamn				F	X
Torp 5:14	Nynäshamn				F	X
Grottan 2	Nyköping				F	X
Angeln 1	Nynäshamn				F	X
Ljustret 1	Nynäshamn				F	X

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Mjärden 1 (Nynäshamn)	Nynäshamn				F	X
Nätet 2	Nynäshamn				F	X
Fagerhult 1:180, 1:120, 1:105	Örkelljunga				F	
Centralen 4	Höganäs				F	
Hjälmaröd 4:94	Simrishamn				F	
Tre kronor 2	Örkelljunga				F	
Arlöv 11:294	Burlöv				L	
Röinge 3:4	Hörby				F	
Landsdomaren 7	Lund				F	X
Sjöcrona 2	Höganäs				F	
Pärlemon 1 & 2	Hässleholm				F	
Södergården 1	Hässleholm				F	
Södergården 2	Hässleholm				F	
Länsmansgården 1 & 2	Hässleholm				F	
Björken 9	Åstorp				F	
Hjularöd 2	Hörby				F	
Komministern 15 & 19, Gunnarp 8:74	Höör				F	
Tväråkern 16	Malmö				F	
Idrotten 12	Malmö				F	
Rabban 3	Simrishamn				F	
Solrosen 11	Simrishamn				F	
Stiby 150:4	Simrishamn				F	
Stiby 150:5	Simrishamn				F	
Haglösa 19:1	Trelleborg				F	
Norrvidinge 23:1	Svalöv				F	
Hörja 3:26	Hässleholm				F	X
Abborren 13	Hässleholm				F	
Rödjan 7	Kävlinge				F	X
Budkavlen 5	Kalmar				F	X
Brasan 2	Kalmar				F	X
Majsmjölet 1	Kalmar				F	X
Hälsan 22	Oskarshamn				F	X
Västhörja 12:68	Värnamo				F	
Tätörten 1	Växjö				F	X
Cedern 2	Ljungby				F	
Granen 6	Ljungby				F	
Saxofonen 4	Växjö				F	X
Älgåsen 4	Vaggeryd				F	
Gymnasiet 2	Ljungby				F	
Förmannen 1	Kalmar				F	
Vallby 8:8 & 8:22	Kalmar				F	
Julgrisen 1	Kalmar				F	
Oskar 4	Jönköping				F	
Trånghalla 3:497	Jönköping				F	
Åby 31:1	Kalmar				F	
Källstorp 8:1 & 8:6	Kalmar				F	
Råby 3:19	Kalmar				F	
Dragkroken 10	Kalmar				F	
Betesvallen 1	Växjö				F	X
Berget 1:355	Jönköping				F	
Berget 1:26	Jönköping				F	
Berget 1:31	Jönköping				F	
Berget 1:252	Jönköping				F	
Berget 1:392	Jönköping				F	
Hålan 6:6	Jönköping				F	
Berget 1:405	Jönköping				F	
Berget 1:6	Jönköping				F	
Berget 1:9	Jönköping				F	
Berget 1:17	Jönköping				F	
Urshult 1:19	Tingsryd				F	

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Urshult 1:66	Tingsryd				F	
Urshult 1:75	Tingsryd				F	
Prästfjärdingen 1:16	Hultsfred				F	
Linet 1	Norrtälje				F	X
Löttinge 9:27	Täby				F	X
Tidrymden 9	Sollentuna				F	X
Äggsvampen 1	Norrtälje				F	X
Reflexen 13	Sollentuna				F	X
Bällsta 2:827	Vallentuna				F	X
Berga 6:76	Österåker				F	X
Stilgjutaren 1	Täby				F	X
Solsta 1:7	Vallentuna				F	X
Skälby 77:16	Järfälla				F	X
Grönskogen 7	Sundbyberg				F	X
Kaggen 2	Täby				F	X
Sigtuna 2:227	Sigtuna				F	X
Träkolet 16	Sollentuna				F	X
Märsta 1:242	Sigtuna				F	X
Jollen 4	Täby				F	X
Assistenten 44	Huddinge				F	X
Liljekonvaljen 14	Huddinge				F	X
Myrstuguberget 20	Huddinge				F	X
Ormen Långe 9	Huddinge				F	X
Penseln 33	Huddinge				F	X
Spelaren 13	Huddinge				F	X
Frostfjärilen 47	Huddinge				F	X
Juringegården 2	Huddinge				F	X
Skäcklinge Gård 11	Botkyrka				F	X
Svarbäcken 2:6	Haninge				F	X
Svarbäcken 2:7	Haninge				F	X
Adeln 22	Stockholm				F	X
Bäckaskiftet 10	Stockholm				F	X
Fjällglimmen 2	Stockholm				F	X
Serenaden 17	Stockholm				F	X
Siken 24	Stockholm				F	X
Vägmätaren 1	Stockholm				F	X
Sätra Gård 1	Stockholm				F	X
Singoalla 45	Stockholm				F	X
Lönnholmen 1	Stockholm				F	X
Rhenguldet 20	Stockholm				F	X
Älgholmen 1	Stockholm				F	X
Hammar 1:92	Haninge				F	X
Ålsta 1:59	Haninge				F	X
Kallblodet 4	Botkyrka				F	X
Erstavik 26:31	Nacka				F	X
Gunnebo 15	Stockholm				F	X
Ölänningen 6	Stockholm				F	X
Tvättbaljan 4	Stockholm				F	X
Heby 4:49	Heby				F	X
Berthåga 28:5 & 28:6	Uppsala				F	X
Sunnersta 171:6	Uppsala				F	X
Sunnersta 185:7	Uppsala				F	X
Sävja 5:51	Uppsala				F	X
Stenby 3:1	Knivsta				F	X
Sunnersta 177:12-15	Uppsala				F	X
Sunnersta 152:6	Uppsala				F	X
Karlsgård 1:6	Knivsta				F	X
Solliden 1	Torsby				F	
Storfors 30:1	Storfors				F	
Löparen 2	Hagfors				F	

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Moroten 7	Karlstad				F	
Björknäs 37:3	Karlstad				F	
Skåre 1:397	Karlstad				F	
Björnen 1	Filipstad				F	
Stenåsen 1:316	Kil				F	
Risätter 5:22	Forshaga				F	
Rudsnäset 2:48	Kristinehamn				F	
Tjärveden 1	Karlstad				F	
Långseruds-Backa 1:58	Säffle				F	
Bråten 1:65	Hammarö				F	
Jätten 1	Säffle				F	
Västby 1:117	Karlstad				F	
Borgstena 5:53	Borås				F	X
Tummarp 1:189	Borås				F	X
Ryd 15:69	Skövde				F	X
Frösve 13:2	Skövde				F	X
Värsås 8:93	Skövde				F	X
Blåhaken 2	Falköping				F	
Ryd 15:72	Skövde				F	X
Kupan 1	Skövde				F	X
Muggebo 1:19	Mariestad				F	X
Vespern 8	Mellerud				F	
Klostret 22:52	Skara				F	X
Brandstorp 1:15	Habo				F	
Häggen 5	Skara				F	X
Skultorp 2:73	Skövde				F	X
Klövern 7	Vänersborg				F	X
Pilen 13	Mariestad				F	X
Björken 10	Karlsborg				F	
Norr 5:10	Hjo				F	
Kråkhult 1:61	Borås				F	X
Tollered 4:2	Ale				F	
Tuntorp 4:34	Lysekil				F	
Sinclair 12	Uddevalla				F	X
Häggen 2	Skara				F	X
Stenbocken 1	Skara				F	X
Metes 2	Skara				F	X
Sälgen 22	Skara				F	X
Tanumshede 1:88	Tanum				F	
Ugglum 126:4	Partille				F	
Kullen 18	Lilla Edet				F	X
Bränneriängen 12	Strömstad				F	
Elitloppet 1	Linköping				F	
Mekanikern 21	Linköping				F	
Norrberga 4:82	Linköping				F	
Raststugan 1	Linköping				F	
Falerum 10:22	Åtvidaberg				F	
Trolledet 2:3	Motala				F	
Vallsberg 3:22	Mjölby				F	
Kolonien 29	Helsingborg				F	
Nässlan 5	Helsingborg				F	
Mörtrum 84:2	Karlshamn				F	
Holje 106:1	Olofström				F	
Kandidaten 7	Osby				F	
Linjalen 1	Osby				F	
Linjalen 11	Osby				F	
Linjalen 12	Osby				F	
Linjalen 14	Osby				F	
Smeden 16	Osby				F	
Björnen 4	Ronneby				F	X

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Björnen 5	Ronneby				F	X
Brottaren 3	Ronneby				F	X
Elsa 12	Ronneby				F	X
Ernst 1	Ronneby				F	X
Ernst 7	Ronneby				F	X
Frans 1	Ronneby				F	X
Fäktaren 9	Ronneby				F	X
Gertrud 12	Ronneby				F	X
Illern 1 (Ronneby)	Ronneby				F	X
Illern 2	Ronneby				F	X
Knut 19 och Ronneby 25:27	Ronneby				F	X
Löparen 3	Ronneby				F	X
Per 6	Ronneby				F	X
Skytten 3 o 4	Ronneby				F	X
Vikingen 13	Helsingborg				F	
Kvidinge 17:94 mfl (11 fastigheter)	Åstorp				F	
Ronneby 24:12	Ronneby				F	X
Guldheden 8:11	Göteborg				F	X
Verktyget 4	Eskilstuna				F	X
Väpnaren 4	Eskilstuna				F	X
Söderbymalm 3:481	Haninge				F	X
Söderbymalm 3:482	Haninge				F	X
Torslanda 163:5	Göteborg				F	
Torslanda 163:2	Göteborg				F	
Tynnered 96:16-18	Göteborg				F	
Fiskebäck 56:118	Göteborg				F	
Fiskebäck 69:1	Göteborg				F	
Önnered 111:1	Göteborg				F	
Näset 127:1	Göteborg				F	
Hult 126:1	Göteborg				F	
Hult 126:2	Göteborg				F	
Hult 1:420	Göteborg				F	
Hovås 214:8 & 214:9	Göteborg				F	
Brottkärr 210:2	Göteborg				F	
Klacken 2	Stockholm				L	
Stora Ängby 23	Stockholm				L	
Stora Ängby 24	Stockholm				L	
Stora Ängby 26	Stockholm				L	
Spjutspetsen 1	Stockholm				L	
Birkamyntet 3	Stockholm				L	
Sländtrissan 1	Stockholm				L	
Brudhandsken 12	Stockholm				L	
Videörten 50	Stockholm				L	
Renfanan 30	Stockholm				L	
Bönemannen 3	Stockholm				L	
Birkamyntet 2	Stockholm				L	
Skäddan 1	Stockholm				L	
Klarinetten 20	Stockholm				L	
Siken 22	Stockholm				L	
Randers 1	Stockholm				L	
Platåskon 4	Stockholm				L	
Skogsplanteringen 4	Stockholm				L	
Rörsoppen 12	Stockholm				L	
Rödby 1	Stockholm				L	
Väldö 6	Stockholm				L	
Gullpigan 1	Stockholm				L	
Munsö 1	Stockholm				L	
Höganäs 33:43	Höganäs				F	
Sågklingan 6	Västerås				F	
Oxeln 9	Boden				F	

Property	Municipality	Area m2	Market value Q3 2020		Leasehold/ Freehold	Inspection
			MSEK	SEK/m2		
Loke 3 & 4	Skara				F	
Sigyn 4	Skara				F	
Gamlestaden 2:8	Göteborg				F	
Boden 52:6	Boden				F	
Del av Enen 2, Boden 50:4, Boden 56:39	Boden				F	
Brogård 1:206, 1:207, 1:208 och 1:210	Upplands-Bro				F	
Barkdalsskolan 2	Leksand				F	
Total		1,035,875	20,388	19,682		254/427



Marcus Kindbom, MRICS



Patrick Andersson

VALUATION REPORT AS OF SEPTEMBER 30, 2020

Newsec has been instructed by Samhällsbyggnadsbolaget i Norden AB to carry out valuations of 742 properties situated in various locations throughout Sweden, Norway and Finland (see Appendix 1). The valuations have been carried out with Valuation Date 30 September 2020. The aim of the valuations is to estimate the market value of the properties.

Of the properties located in Sweden 411 are freehold and 20 are leasehold. Newsec has carried out inspections of the properties corresponding to a value of TSEK 31.271.429. The lettable area amounts to 1.798.302 sqm, of which 134.164 sqm consists of residential and 1.664.138 sqm of commercial premises.

The properties in Sweden are mainly located in or in the surrounding of some of the larger Swedish cities in the southern part of the country. The properties consist mainly of residential and commercial premises for the public sector such as care, education and justice. The portfolio consists also of office, retail, industrial and storage premises. In addition to that, the portfolio consists of building rights and land for future development.

Of the properties located in Norway 187 are freehold and 44 are leasehold. Newsec has carried out inspections of the properties corresponding to a value of TNOK 10.098.600.

The properties in Norway are located in the Oslo Region, Bergen, Kristiansand, Fredrikstad, Kongsvinger, Tønsberg and in several smaller cities. The main part of the value is attributable to the Oslo Region. The properties contain different types of socially beneficial activities mainly in the form of preschools and offices for the public sector.

Of the 80 properties in Finland 66 are freehold and 14 are leasehold. Newsec has carried out inspections of 79 of the properties, corresponding to a value of EUR 538.380.000. The main part of the value is attributable to the major city regions. The properties consist mainly of commercial premises for the public sector.

The valuations have been prepared in accordance with the definitions of market value according to RICS Red Book and comply with the definitions and value concepts stated in International Valuation Standards 2017 (IVS 2017) established by the International Valuation Standard Council (IVCS) as follows:

“Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

In addition to that, the valuations have been prepared in accordance with the generally accepted principles regarding valuations, produced by Samhällsbyggarna Property Valuation Section (see Appendix 2).

According to agreed instructions a smaller part of the valuations have been carried out with limited information, which in most cases implies inspection has not taken place. In these cases, the value estimation has been performed under the assumption the properties have a normal standard and are normally maintained.

The valuations have been carried out by valuers qualified for the assignment and acting as external valuers. We consider having good knowledge of the property market and the current market segments, and thus the skills required to carry out the valuations. The value estimations have mainly been performed with a discounted cash flow cash model, in which a present value is calculated from future cash flows and the residual value.

As of September 30, 2020, the market value of the 431 properties in Sweden has been estimated to:

SEK 32 636 919 000

(SEK Thirty-Two Billion Six Hundred and Thirty-Six Million Nine Hundred and Nineteen Thousand)

As of September 30, 2020, the market value of the 231 properties in Norway has been estimated to:

NOK 18 394 800 000 (SEK 17 498 973 200)

(NOK Eighteen Billion Three Hundred and Ninety-Four Million and Eight Hundred Thousand)

As of September 30, 2020, the market value of the 80 properties in Finland has been estimated to:

EUR 541 020 000 (SEK 5 702 891 820)

(EUR Five Hundred and Forty-One Million and Twenty Thousand)

FX rate: NOK/SEK: 0,951300; EUR/SEK: 10,541000

Stockholm November 2, 2020

Newsec Advice AB



Ulrika Lindmark, MRICS
Head of Valuation & Advisory
authorised by Samhällsbyggarna

**AUTHORISED
REAL ESTATE VALUER**




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Real Estate Valuer,
authorised by Samhällsbyggarna

**AUTHORISED
REAL ESTATE VALUER**



Property list, Swedish properties

Nödinge 38:25	Ale	Kärreberg 3:172	Falkenberg
Skepplanda 2:118	Ale	Skrea 23:53	Falkenberg
Erska 1:111	Alingsås	Årstad 9:40	Falkenberg
Hoppet 6	Alingsås	Bokbindaren 6	Falköping
Tigern 4	Alingsås	Kemisten 11	Falköping
Karlsborg 4:1	Aneby	Läkaren 5	Falköping
Abborren 13	Avesta	Länsmannen 1	Falköping
Aspen 4	Boden	Njord 32	Falköping
Sparven 1	Boden	Röne 1:9	Falköping
Norränge 3:72	Bollnäs	Sankt Botvid 15	Falköping
Ren 14:15	Bollnäs	Trollet 14	Falköping
Österböle 2:13	Bollnäs	Tåstorp 7:9	Falköping
Buskåker 24:2	Borlänge	Bataljonen 14	Falun
Gropen 1:2	Borlänge	Britsarvsskolan 6	Falun
Gyllehemmet 2	Borlänge	Cuprum 2	Falun
Hansgårdarna 8:9	Borlänge	Falun 8:9	Falun
Kvarnsveden 3:196 & 3:197 (del av)	Borlänge	Falun 9:22	Falun
Pusselbo 2:19	Borlänge	Gasverket 2	Falun
Spännaren 13	Borlänge	Korsnäs 2:13	Falun
Tuna Prostgård 1:5	Borlänge	Korsnäs 2:26	Falun
Hagtornen 10	Borås	Korsnäs 7:1	Falun
Solrosen 17	Borås	Korsnäs 8:1	Falun
Sölebo 1:104	Borås	Kvarnberget 1:6	Falun
Illern 4	Bräcke	Lilla Näs 3:41	Falun
Boken 12	Eksjö	Stora Källviken 1:169	Falun
Nannylund 1	Eksjö	Trasten 7	Filipstad
Lådö 13:1	Enköping	Betaren 4	Finspång
Vapensmeden 15	Eskilstuna	Hårstorp 3:366	Finspång
Vipan 14	Eskilstuna	Tegelbruket 3	Finspång
Misteln 13	Essunga	Östermalm 1:12	Finspång
Bacchus 1	Falkenberg	Kungsbacka 1:42	Flen

Dyrtorp 1:129	Färgelanda	Söderbymalm 3:486	Haninge
Garde Nygårds 1:68	Gotland	Vendelsö 3:1986	Haninge
Othem Stenhuggaren 2	Gotland	Åby 1:67	Haninge
Visby S:Ta Gertrud 12	Gotland	Näsbo 1:12	Heby
Lilla Häggvik 1:1	Grums	Jälkarbyn 132:68	Hedemora
Barrebacken 6:1	Gullspång	Jälkarbyn 132:77	Hedemora
Källtorp 2:63, 2:93	Gullspång	Jälkarbyn 132:80, 132:81	Hedemora
Solbacken 1:5	Gullspång	Vikmanshyttan 3:2	Hedemora
Alkan 1	Gällivare	Möllarp 1:57	Helsingborg
Beckasinen 11	Gällivare	Rosenlund 1:58	Helsingborg
Björnsjö 42:1	Gävle	Flugsvampen 7	Herrljunga
Brynäs 34:14	Gävle	Batteriet 6	Huddinge
Hille 2:144	Gävle	Grankotten 1	Huddinge
Holmsund 8:5	Gävle	Lunnaren 1	Huddinge
Markheden 4:45	Gävle	Gjutaren 6	Hudiksvall
Storhagen 57:8	Gävle	Grottan 7	Hudiksvall
Sätra 108:21	Gävle	Adjunkten 1	Hämösand
Söder 66:9	Gävle	Akvilejan 4	Hämösand
Gamlestaden 2:10	Göteborg	Bondsjö 2:312	Hämösand
Gamlestaden 2:5	Göteborg	Bondsjö 2:338	Hämösand
Kobbegården 6:55	Göteborg	Brunne 12:18	Hämösand
Tuve 15:90	Göteborg	Brunne 12:21	Hämösand
Guttorp 1:34, 1:44	Götene	Duvan 2	Hämösand
Borgmästaren 4	Hagfors	Eleven 1	Hämösand
Höjden 2	Hallsberg	Fastlandet 2:84	Hämösand
Eldsoda 1:293	Hallstahammar	Fastlandet 2:90	Hämösand
Tuna 2:70	Hallstahammar	Folkskolan 3	Hämösand
Fältet 7	Halmstad	Geresta 1	Hämösand
Kalvsvik 11:9	Haninge	Hopparen 1	Hämösand
Söderby 2:772	Haninge	Hovsjorden 7	Hämösand
Söderbymalm 3:462	Haninge	Häcken 13	Hämösand

Högsjö-Dal 2:90	Hämösand	Komet 2	Hässleholm
Hörnan 2	Hämösand	Ljusbadet 1	Hässleholm
Inspektorn 11	Hämösand	Svarven 4, 5	Hässleholm
Juristen 6	Hämösand	Tormestorp 31:1	Hässleholm
Läraren 1	Hämösand	Torsjö 1:33	Hässleholm
Orren 12	Hämösand	Tyringemölla 1:11	Hässleholm
Oxen 1	Hämösand	Ceres 20	Höganäs
Prylen 1	Hämösand	Guldfisken 1	Höganäs
Rådhuset 6	Hämösand	Hotellet 1	Höganäs
Seminariet 16	Hämösand	Höganäs 34:69	Höganäs
Skolan 1	Hämösand	Lerberget 49:710	Höganäs
Sländan 12	Hämösand	Lyran 18	Höganäs
Solen 15	Hämösand	Lyran 20	Höganäs
Stenhammar 1:223	Hämösand	Noshörningen 14	Höganäs
Stenhammar 1:224	Hämösand	Olympia 14	Höganäs
Sågen 10	Hämösand	Sjöcrona 1	Höganäs
Torget 1	Hämösand	Stubbarp 34:4	Höganäs
Vangsta 1:102	Hämösand	Thor 8	Höganäs
Venus 7	Hämösand	Triangeln 6	Höganäs
Vinstocken 2	Hämösand	Vattumannen 13	Höganäs
Västansjö 1:41	Hämösand	Gunnarp 5:42, 5:10	Höör
Västansjö 1:86	Hämösand	Jakobsberg 2:2406	Järfälla
Ädelstenen 6	Hämösand	Jakobsberg 2:2838	Järfälla
Äland 1:91	Hämösand	Kallhäll 1:24	Järfälla
Äland 22:1	Hämösand	Kallhäll 1:29	Järfälla
Ön 2:41	Hämösand	Hantverkaren 1	Karlskoga
Ön 2:58	Hämösand	Adlersten 59	Karlskrona
Ön 2:63	Hämösand	Af Klint 21	Karlskrona
Kullbäckstorp 2:268	Härryda	Bakareboda 1:162	Karlskrona
Brotschen 10, 11	Hässleholm	Frimuraren 8	Karlskrona
Brotschen 9, 12	Hässleholm	Gullbernahult 1	Karlskrona

Gullbernahult 12	Karlskrona	Brunnsvik 2:15	Ludvika
Gullbernahult 21	Karlskrona	Bäret 5	Ludvika
Gullbernahult 7	Karlskrona	Frigga 10	Ludvika
Karlskrona 3:3	Karlskrona	Hästen 3	Ludvika
Mo 1:95	Karlskrona	Hästen 5	Ludvika
Pimpinellan 1	Karlskrona	Isolatorn 2	Ludvika
Pollux 32	Karlskrona	Isolatorn 5	Ludvika
Skeppsbron 1	Karlskrona	Loke 7	Ludvika
Skeppsbron 2	Karlskrona	Ludvika 3:21	Ludvika
Skeppsbron 3	Karlskrona	Ludvika 4:27	Ludvika
Stora Vörta 1:62 & 1:63	Karlskrona	Motorn 11	Ludvika
Wattrang 21	Karlskrona	Målarbacken 4	Ludvika
Blyet 2	Karlstad	Oden 1	Ludvika
De av Letten 1	Karlstad	Oden 2	Ludvika
Karolinen 2	Karlstad	Oden 4	Ludvika
Hjorten 1	Katrineholm	Oden 5	Ludvika
Stjärnebo 1	Kinda	Svanen 17	Ludvika
Finkan 7	Kiruna	Tor 2	Ludvika
Kvarter 94, Nya Kiruna Centrum	Kiruna	Tor 3	Ludvika
Kristianstad 4:45	Kristianstad	Tre Högar 3	Lund
Kristianstad 4:7	Kristianstad	Valkärre 6:35	Lund
Åsphult 24:1	Kristianstad	Skrattmåsen 14	Malmö
Hede 1:53	Kungsbacka	Stettin 14	Malmö
Tom 2:28	Kungsbacka	Lillängen 2:1	Mariestad
Löddeköpinge 23:26	Kävlinge	Lyrestads Klockarbol 5:39	Mariestad
Lejonet 9	Landskrona	Tordyveln 1	Mariestad
Lunna 1:22	Lidköping	Ullervad 14:19	Mariestad
Kyrkokvarteret 11	Lindesberg	Fritsla 14:8	Mark
Norra Ljungkullen 7	Ljungby	Mekanikern 1	Mark
Björnen 16	Ludvika	Ingenjören 6	Motala
Brage 1	Ludvika	Innerstaden 1:267	Motala

Tellus 1 (del av)	Motala	Hästen 8	Orsa
Sjöryd 1:192	Mullsjö	Köpmannen 10	Orsa
Foss 12:24	Munkedal	Köpmannen 8	Orsa
Erstavik 26:21	Nacka	Sundbäck 13:30	Orsa
Lännersta 1:123	Nacka	Sundbäck 13:36	Orsa
Lännersta 112:14	Nacka	Visseltofta 21:1, 2:4, 3:54	Osby
Mensättra 28:8	Nacka	Visseltofta 4:7	Osby
Orminge 60:2	Nacka	Venus 11	Oskarshamn
Orminge 62:1	Nacka	Johannishus 1:19	Ronneby
Sicklaön 126:10	Nacka	Färnebo Prästgård 1:28	Sala
Sicklaön 126:12	Nacka	Salbohed 1:3	Sala
Solsidan 13:1	Nacka	Förmannen 7	Sandviken
Norbergsby 14:101	Norberg	Märsta 1:40	Sigtuna
Norbergsby 7:60	Norberg	Häggen 3	Skara
Spännarhyttan 2:7	Norberg	Skytten 2	Skara
Importen 4	Norrköping	Sporren 9	Skara
Järven 4	Norrköping	Brunnsgården 6	Skellefteå
Orkestern 2	Norrköping	Måsen 21	Skellefteå
Presidenten 1	Norrköping	Kila 3:7	Skövde
Biotiten 1	Norrtälje	Klockstapeln 4	Skövde
Grytan 6	Nykvarn	Resecentrum 3	Skövde
Kaffebryggaren 1	Nykvarn	Risingsbo Herrgård 1	Smedjebacken
Guldsmeden 10	Nyköping	Lärkan 8	Sollefteå
Jämhandlaren 6	Nyköping	Remsle 13:64	Sollefteå
Minuthandlaren 17	Nyköping	Skedom 21:1	Sollefteå
Raspen 1	Nyköping	Edsberg 10:60	Sollentuna
Raspen 2 & 3	Nyköping	Estländaren 10	Sollentuna
Vakten 1	Nässjö	Hallonet 1	Sollentuna
Boken 1	Orsa	Hultet 5	Sollentuna
Greven 4	Orsa	Marschen 1	Sollentuna
Hjorten 3	Orsa	Morteln 1	Sollentuna

Rotebro 3:45	Sollentuna	Enen 2	Säter
Rotstocken 2	Sollentuna	Fasaden 9	Säter
Transporten 2	Sollentuna	Grenen 13	Säter
Vinbäret 1	Sollentuna	Haken 1, 2	Säter
Vindfånget 4	Sollentuna	Haken 4	Säter
Vinguden 1	Sollentuna	Handsken 4	Säter
Vinkeljärnet 78	Sollentuna	Harpan 2	Säter
Logfyrkanten 3	Solna	Humlan 2	Säter
Höga 2:152	Stenungsund	Idealet 2	Säter
Stenung 2:238	Stenungsund	Idealet 3	Säter
Stenung 3:84	Stenungsund	Indianen 1	Säter
Barnfröken 1	Stockholm	Skönvik 1:6	Säter
Bremen 3	Stockholm	Fjärilen 22	Södertälje
Gräskö 1	Stockholm	Tändstickan 1	Tidaholm
Görväln 1	Stockholm	Kläringe 4:2	Tierp
Häftklammern 9	Stockholm	Forellen 19	Tyresö
Kontorsskylten 7	Stockholm	Sörby 1:34	Töreboda
Kulltorp 3	Stockholm	Bastionen 28	Uddevalla
Oväder 2	Stockholm	Fjällräven 15	Uddevalla
Skrubbhjveln 4	Stockholm	Holma 1:28	Uddevalla
Vattenfallet 16	Stockholm	Rosenhäll 1	Uddevalla
Seminariet 6	Strängnäs	Råane 1:16	Uddevalla
Marieberg 5	Sundsvall	Simmersröd 1:4	Uddevalla
Roten 6	Sundsvall	Krämaren 4	Ulricehamn
Roten 9	Sundsvall	Svalan 7	Ulricehamn
Sköle 1:17	Sundsvall	Höder 7	Umeå
Västhagen 1	Sundsvall	Nävern 1	Umeå
Åkroken 1	Sundsvall	Teatern 5	Umeå
Moga 1:116	Svenljunga	Teatern 6	Umeå
Boberg 4:10	Säter	Teatern 7	Umeå
Eken 5	Säter	Teatern 8	Umeå

Edsby 1:3	Upplands Väsby	Signalisten 11	Västerås
Danmark 1:15	Uppsala	Signalisten 12	Västerås
Gamla Uppsala 94:6	Uppsala	Sigurd 6	Västerås
Gränome 1:13	Uppsala	Smidesjärnet 1	Västerås
Hov 4:2, 5:2	Uppsala	Triangelnätet 2	Västerås
Kungsängen 24:13	Uppsala	Ullvi 3:670	Västerås
Läby-Österby 6:6	Uppsala	Ullvi 3:674	Västerås
Löten 6:6	Uppsala	Öland 1	Västerås
Norrvissjö 1:24	Uppsala	Östjädra 1:251	Västerås
Skeberga 4:3	Uppsala	Fläkten 13	Växjö
Övernäs 2:17	Uppsala	Segerstad 4	Växjö
Vallentuna-Mörby 1:118	Vallentuna	Eken 6	Åmål
Vik 1:36	Vingåker	Kvidinge 7:127	Åstorp
Niklasberg 13	Vänersborg	Handlaren 1	Älmhult
Niklasberg 15	Vänersborg	Handlaren 4	Älmhult
Niklasberg 2	Vänersborg	Idre 5:114	Älvdalen
Niklasberg 3	Vänersborg	Älvkarleby 2:2	Älvkarleby
Fågelvik 1:624	Värmdö	Hägem 4	Älvsbyn
Östra Ekedal 1:100	Värmdö	Almby 13:772	Örebro
Almen 2	Västerås	Almby 13:822	Örebro
Alvesta 1:360	Västerås	Missionen 2	Örebro
Brottberga 6:31	Västerås	Mosås 8:28	Örebro
Folkets Park 3	Västerås	Norra Bro 5:26	Örebro
Forstmästaren 2	Västerås	Ungern 6	Örnsköldsvik
Handyxan 1	Västerås	Berga 6:489	Österåker
Harkie 1:99	Västerås	Runö 7:162	Österåker
Nyckelön 1:51	Västerås	Runö 7:163	Österåker
Nyckelön 1:517	Västerås	Gimo 11:97	Östhammar
Orten 1	Västerås		
Rosenfinken 2	Västerås		

Property list, Norwegian properties

Tomerose Barnehage AS	Alta	Åsane Gårdsbarnehage	Bergen
Blødekjær 1-3	Arendal	Strandengvegen 41	Biristrand
Grandehagen	Arendal	Ervika Naturbarnehage	Bjugn
Soria Moria Eydehavn	Arendal	Bodøsjøen LF2	Bodø
Soria Moria Hisøy Sandvigveien 104 (Helsviga)	Arendal	Maskinisten	Bodø
Soria Moria Hisøy Sandvigveien 120 (Slaabervig)	Arendal	Friluftsbarnhage	Bodø
Soria Moria Longum Park	Arendal	Notveien LF1	Bodø
Bjørndalen	Asker	Saltvern LF3	Bodø
Kleppe Barnehage AS	Askøy	Trålveien LF4	Bodø
Soltun Barnehage AS	Askøy	Kløvstadhøgdsvegen 182	Brøttum
Fomebu Idrettsbarnehage	Bærum	Sandvoll	Bø
Lysaker Idrettsbarnehage	Bærum	Bømlo-12/17, 12/20	Bømlo
Ringstabekkveien 105	Bærum	Bømlo-123/72	Bømlo
Marthas Hage	Bamble	Eid	Eid
Bergen-122/610	Bergen	Bjørnsrudskog	Eidsvoll
Bergen-18/348	Bergen	Dal	Eidsvoll
Bergen-38/140	Bergen	Folkeparken	Eidsvoll
Blomsterdalen	Bergen	Mork	Eidsvoll
Fana Gårdsbarnehage	Bergen	Råholt	Eidsvoll
Fjellmagasinet	Bergen	Årnesvegen 23	Eidsvoll
Kalfarveien 72	Bergen	Falstadvegen 34	Ekne
Kalfarveien 76	Bergen	Randineborg AS	Færder
Kalfarveien 78	Bergen	Tiriltoppen	Færder
Kalfarveien 82	Bergen	Medås	Fauske
Kanutten	Bergen	Aronien	Fjell
Kjøkkelvik	Bergen	Straume	Fjell
Krokusbakken	Bergen	Valen	Fjell
Kvernabekken Miljøbarnehage AS	Bergen	DoReMi Begby	Fredrikstad
Midtunbråttet	Bergen	DoReMi Trosvik	Fredrikstad
Myrdalsvegen 22	Bergen	Fredrikstad-300/1542	Fredrikstad
Søreidtunet	Bergen	Fredrikstad-300/210	Fredrikstad
		Lyngmo	Fredrikstad

Slangsvoll	Fredrikstad	Ravneheia Barnehage SA	Kristiansand
Stadion 1-2 (Høgskolen i Østfold)	Fredrikstad	Skomagergata	Kristiansand
Wilbergjordet 1	Fredrikstad	Solkollen Hellemyr	Kristiansand
Bergtun	Frosta	Solkollen Søm	Kristiansand
Bekkeberget	Gjerdrum	Sørlandsparken AS	Kristiansand
Greåkerveien 155	Greåker	Vestre Strandgate 21	Kristiansand
Fjellknausen (Myråsen)	Grimstad	Atlantis	Kristiansund
Hafslotunet	Hafslo	Blåtoppen	Kristiansund
New Hafslo Apartment	Hafslo	Draget	Kristiansund
DoReMi Halden	Halden	Kristiansund	Kristiansund
Klengstua	Halden	Idrettsbarnehage	Kristiansund
Hernesvegen 662	Hernes	Handeland	Kvinnherad
Hernesvegen 668	Hernes	Gonveien	Larvik
Knapstad Barnehage	Hobøl	Njøsavegen 2	Leikanger
Nordre Øyen	Hobøl	B. Lundgaards gate 22	Lillehammer
Lillås	Horten	Langes gate 18	Lillehammer
Hurdal	Hurdal	Møllevegen 11	Lillehammer
Knatterudbrua 19	Ise	Møllevegen 13	Lillehammer
Karmøy-5/34	Karmøy	Møllevegen 5	Lillehammer
Otervegen 23	Kongsvinger	Saksumdalsvegen 1427	Lillehammer
Bispegga	Kristiansand	Sorgendalsvegen 11	Lillehammer
Bråvannsåsen	Kristiansand	Storgata 117	Lillehammer
Eidet	Kristiansand	Thorstadvegen 27	Lillehammer
Fidje	Kristiansand	Trystuvegen 2	Lillehammer
Flekkerøya	Kristiansand	Alversund	Lindås
Grim	Kristiansand	Margaretalia	Lørenskog
Kuholmen	Kristiansand	Skogly	Løten
Kvartal 71	Kristiansand	Mandal-123/5, 123/16	Mandal
Liantjønn	Kristiansand	Mandal-99/229	Mandal
Lømslands vei 6	Kristiansand	Maurtua AS	Meland
Prestheia AS	Kristiansand	Bårdsetvegen 146 (1-3)	Moelv
		Anton Krogsvaldsvei 13 A-D	Moss

Anton Krogsvaldsvei 13E	Moss	Mattisgården	Råde
Anton Krogsvaldsvei 18	Moss	Napperød	Sandefjord
Gubberogatan 11	Moss	Veraåsen Barnehage AS	Sandefjord
Gubberogatan 12	Moss	Jærveien 12	Sandnes
Moss-2/1431, 1482, 1484, 1486, 1489, 2261	Moss	Julie Eges gate 8	Sandnes
Moss-2/2837	Moss	Vatnekrossen	Sandnes
Haga	Nes	Bamsebo	Sarpsborg
Haugeråsen	Nittedal	Hinkenhopp	Sarpsborg
Skytta	Nittedal	Kløvningsten	Sarpsborg
Slattum	Nittedal	Sandesundsveien 3 & Korsgata 5	Sarpsborg
Kuvågen Barnehage AS	Os	Sandesundsveien 5-7	Sarpsborg
Os-54/765	Os	Sigvat Skaldsgate 3-5	Sarpsborg
Bjerke Panorama	Oslo	St. Maries gate 88	Sarpsborg
Bryn	Oslo	Store Tune Gård	Sarpsborg
Gamle Strømsvei 37 b	Oslo	Gvarv Barnehage	Sauherad
Gullhaug Torg 4	Oslo	Sauarhagane Barnehage AS	Sauherad
Haugerudhagen	Oslo	Skedsmo-24/89	Skedsmo
Hauketo	Oslo	Skedsmo-31/314	Skedsmo
Konfektfabrikken	Oslo	Skedsmo-83/748	Skedsmo
Oslo-225/261	Oslo	Gustavas Hage AS	Skien
Slalomveien	Oslo	Harmonien Barnehage AS	Skien
Storåsvejen 1c	Oslo	Klyveskogen Barnehage AS	Skien
Vestskrenten Idrett	Oslo	Kongerød Barnehage	Skien
Vidsynveien 9	Oslo	Limi Barnehage AS	Skien
Årvollveien	Oslo	Maurtua Barnehage AS (GDB)	Skien
Knertitten Barnehage	Rakkestad	Trollmyra Barnehage AS	Skien
Ringerike-38/217	Ringerike	Gamle E6 Skogn	Skogn
Ringerike-87/571	Ringerike	Støreshøgda 116	Skogn
Halmstad	Rygge	Fjørevegen 20	Sogndal
Heimdalenga	Rygge	Ilseeng	Stange
Støtvigenga	Rygge	Nerby	Stange

Forus	Stavanger	Ryllikkveien 27, 29 & 31 och Østerveien 6	Tønsberg
Lervig Brygge	Stavanger	Ryllikkveien 33	Tønsberg
Olaf Paulusvei 9	Stavanger	Borgen	Ullensaker
Tjensvoll	Stavanger	Ekornrud	Ullensaker
Trollberget	Stavanger	Nordbymoen	Ullensaker
Geitspranget	Stjørdal	Skogmo	Ullensaker
Tønsåsen	Stjørdal	Solhellinga	Ullensaker
Sæ Barnehage	Stord	Ullensaker-136/158	Ullensaker
Fjeldbakkane	Strand	Ullensaker-136/160	Ullensaker
Strand-16/344	Strand	Havfruen	Verdal
Søgne	Søgne	DoReMi Våler	Våler
Fagertun	Tromsø	Blindheim	Ålesund
Haugenstykket	Tromsø	Skogheim Barnehage	Ålesund
Buenget	Trondheim	AS	Ålesund
Dalsgårdsstien	Trondheim	Åse	Ålesund
DoReMi Humlehaugen	Trondheim		
Granåslia	Trondheim		
Vårres	Trondheim		
Farmannsveien 50 A	Tønsberg		
Farmannsveien 50 B	Tønsberg		
Farmannsveien 50 C	Tønsberg		
Farmannsveien 50 D	Tønsberg		
Farmannsveien 50 E	Tønsberg		
Farmannsveien 50 F	Tønsberg		
Farmannsveien 50 I	Tønsberg		
Farmannsveien 50 K	Tønsberg		
Farmannsveien 50 Sam	Tønsberg		
Nesalléen 69	Tønsberg		
Olav Trygvasons gate 4	Tønsberg		
Rambergveien 5	Tønsberg		
Rambergveien 9	Tønsberg		

Property list, Finnish properties

Kummatinkatu 6	Brahestad	Jungonkatu 17	Kemi
Vitikka 1	Esbo	Suolatie 5	Kempele
Itätuulentie 1	Esbo	Nerolantie 3	Kempele
Komentajankatu 5	Esbo	Päivänpaiste 5	Kokemäki
Kalaonnentie 8	Esbo	Kaunismäenkatu 2	Kotka
Pyyntitie 3	Esbo	Jokipolku 1 b	Kotka
Kivenlahdenkatu 1	Esbo	Myllypuronkuja 2	Kouvola
Palstalaisentie 6	Esbo	Koskitie 5 C	Kurikka
Palstalaisentie 8	Esbo	Mäntylammintie 6	Kurikka
Vihermaantie 1	Euraâminne	Noitiniementie 24	Kuusamo
Männistönkatu 8	Haapajärvi	Frosteruksenkatu 8	Kärsämäki
Ruissalontie 4	Hamina	Myllykyläntie 16	Lapua
Kauppiaankatu 13	Hamina	Hytösenkuja 3	Laukaa
Lautatarhankatu 8	Hamina	Ruuhimäentie 1 A and B	Laukaa
Siltalanranta 2	Harjavalta	Lithoviuksenlaita 2	Limmingo
Pajuniityntie 11	Helsingfors	Pitkäkoskentie 1	Liminka
Nihtisillankuja 6	Helsingfors	Seppäläntie 109	Masku
Kivihaantie 7	Helsingfors	Tuukkalankyläntie 3 C	Mikkeli
Itäkatu 11	Helsingfors	Ruokosenniementie 15	Mänttä
Kravilankatu 4	Huittinen	Kytökankaantie 2	Nivala
Sahakatu 3	Huittinen	Kotitie 5	Pello
Kekkurinkuja 3	Hämeenlinna	Kaptenskanpolku 1 (HEMF)	Pemari
Luhalahti Home Care	Ikaalinen	Kohokuja 4	Pyhtää
Jussintie 2	Ilmajoki	Kalliolahdentie 1A	Raseborg
Tiaispolku 1	Joensuu	Kalliolahdentie 1B	Raseborg
Aurinkokatu 47	Joensuu	Koppelintie 40	Riihimäki
Tetrahontie 10	Juuka	Kolpeneentie 69	Rovaniemi
Hammarinkuja 6	Jämsä	Kimalaisentie 2	Rovaniemi
Tammitie 2	Jämsä	Jouttikankaantie 57	Rovaniemi
Kaplastie 8	Kajaani	Aittokalliontie 23	Saarijärvi
Samoojantie 2	Kajaani	Elmerannantie 39	Salo

Pämäläntie 10	Savonlinna
Linnoitustie 2	Sjundeå
Tiiterontie 3 B	Sulkava
Väinönkatu 7	Suonenjoki
Åkerlundinkatu 5	Tammerfors
Hatanpään valtatie 36	Tammerfors
Tohlopinranta 31	Tammerfors
Jussilantie 13	Toivakka
Villentie 3-5	Tymävä
Satulatie 1	Uleåborg
Koivulehto 1B	Uleåborg
Kiviharjuntie 11	Uleåborg
Leimaajantie 2	Uleåborg
Uuraistentie 112	Uurainen
Käärmeniementie 20	Varkaus
Lakaniementie 85	Vimpeli
Elokaarentie 3	Ylöjärvi
Linnankatu 23	Åbo

GENERAL TERMS AND CONDITIONS FOR VALUATION REPORTS

These General Terms and Conditions have been produced jointly by CBRE Sweden AB, Cushman & Wakefield Sweden AB, Forum Fastighetsekonomi AB, FS Fastighetsstrategi AB, Newsec Advice AB, Savills Sweden AB and Svefa AB. They have been drafted based on generally accepted principles regarding valuations, which are produced by Samhällsbyggarna (Swedish professionals for the built environment) Property Valuation Section and are intended for use by registered valuers at Samhällsbyggarna. The terms and conditions shall apply as of 1 December 2010 for valuations of whole and parts of properties, site leasehold rights, buildings on non-freehold land and similar valuation services in Sweden. The following shall apply unless otherwise stated in the valuation report:

1 Scope of the valuation report

- 1.1 The object of the valuation covers, in the valuation report, the real property or the equivalent stated, with appurtenant rights and obligations in the form of easements, rights of way, community association and other rights or obligations stated in extracts from the Land Register (*Sw. Fastighetsregistret/ The Real Property Register*) pertaining to the object of the valuation.
- 1.2 The valuation report also covers, where applicable, fixtures and fittings of the property and fixtures and fittings of the building relating to the object of the valuation, however not industrial fixtures and fittings to an extent other than as set forth in the report.
- 1.3 Registered rights in respect of the property have been verified by means of an extract from the Land Register. Since the information obtained from the Land Register has been assumed to be accurate and complete, no further investigation has been conducted of the legal relations and rights of use. Legal relations beyond those set forth in the Land Register have only been taken into account to the extent information thereon has been provided in writing by the client/owner or his representative. Other than as set forth in extracts from the Land Register and information provided by the client/owner or his representative, it has been assumed that the object of the valuation is not encumbered by any unregistered easements, right of use agreements or any other agreements which limit, in any respect, the property owner's right to use the property and that the object of the valuation is not encumbered by onerous expenses, fees or other encumbrances. It has also been assumed that the object of the valuation is, in no respect, the subject of a dispute.

2 Assumptions for the valuation report

- 2.1 The information included in the valuation report has been obtained from sources which are deemed to be reliable. All information obtained from the client/owner or his representative and any holders of rights of use has been assumed to be accurate. The information has only been verified through a general assessment of reasonableness. In addition, it has been assumed that no information of relevance to the valuation opinion has been omitted by the client/owner or his representative.
- 2.2 The land areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these land areas and has not measured them on site or on drawings, but the areas have been verified by means of an assessment of reasonableness. The areas have been assumed to be measured in accordance with the "Swedish Standards" applicable from time to time.
- 2.3 As regards tenancies and leasehold conditions relating to land or other rights of use, the valuation opinion has, where applicable, been based on applicable leases of property and leases of land, and other rights of use agreements. Copies of these, or other documents, indicating relevant terms and conditions have been obtained from the client/owner or his representative.
- 2.4 It has been assumed that the object of the valuation complies with all requisite requirements from public authorities and terms and conditions applicable to the property, such as plans, etc., and has obtained all requisite permits from public authorities for its use in the manner stated in the report.

3 Environmental matters

- 3.1 The valuation opinion is conditional on land or buildings relating to the object of the valuation not being in need of an environmental clean-up and there being no form of environmental encumbrance.

- 3.2 In light of the provisions of 3.1, the valuer shall not be liable for any loss incurred by the client or a third party as a consequence of the inaccuracy of the valuation opinion due to the object of the valuation being in need of an environmental clean-up or there being any form of environmental encumbrance.

4 Inspection, technical condition

- 4.1 The physical condition of the facilities (buildings, etc.) as described in the report is based on an overall ocular inspection. The inspection conducted has not been of such a nature as to satisfy the seller's duty of disclosure or the buyer's duty to investigate pursuant to Chapter 4, Section 19 of the Land Law Code (*Sw. Jordabalken SFS 1970:994/Code of Land Laws*). The object of the valuation is assumed to be in a condition and to be of the standard which the ocular inspection indicated at the time of the inspection.
- 4.2 The valuer assumes no liability whatsoever for any latent defects or circumstances which are not obvious on the property, under the ground or in the building and which might affect the value. No liability is assumed for:
 - any matter which would require specialist expertise or special knowledge to discover;
 - the functionality (freedom from defects) and/or the condition of fixtures of buildings, mechanical equipment, pipes or electrical components.

5 Liability

- 5.1 Any claims for damages arising from proven loss arising from any error in the valuation report must be made within one year from the date of the valuation (the date on which the valuation is signed).
- 5.2 The maximum amount of damages which may be payable for proven loss arising from an error in the valuation report is 25 times the price base amount at the date of the valuation.

6 Validity of the valuation report

- 6.1 Depending on whether the factors influencing the market value of the object of the valuation change, the valuation opinion referred to in the report is only valid at the date of the valuation subject to the assumptions and reservations set forth in the report.
- 6.2 Future incoming payments and outgoing payments and growth in value as declared in the report, where applicable, have been made based on a scenario which, in the opinion of the valuer, reflects the future projections of the property market. The valuation opinion does not constitute any undertaking as regards actual future growth in cash flow and growth in value.

7 Use of the valuation report

- 7.1 The content of the valuation report and its appendices is the property of the client and shall be used in its entirety for the purpose set forth in the report.
- 7.2 Where the valuation report is used for legal matters, the valuer shall only be liable for direct and indirect loss which may effect the client provided that the report is used in accordance with 7.1. The valuer shall have no liability whatsoever for any loss incurred by any third party as a consequence of such third party having used the valuation report or information provided therein.
- 7.3 Prior to the valuation report or parts thereof being reproduced or referred to in any other written document, the valuation company must approve the content and the manner in which the report is to be referred to.

TERMS AND CONDITIONS FOR PROPERTY VALUATIONS

These General Terms and Conditions have been produced by Newsec AS based on a jointly collaboration in Sweden where the participants were Newsec Advice AB, CBRE Sweden All, DTZ Sweden AB, Forum Fastighetsekonomi AB, FS Fastighetsstrategi AB, Saville Sweden AB and Svefa AB. This document shall describe and explain the valuation and limitation in the appraisal to the user of the property valuations. The following general terms and conditions shall apply unless otherwise stated in the valuation report:

1. Scope of the valuation report

- 1.1. The object of the valuation covers, in the valuation report, the real property or the equivalent stated, with appurtenant rights and obligations in the form of easements, rights of way, community association and other rights or obligations stated in extracts from the Norwegian Land Register (Infoland/ The Norwegian Mapping Authority's Cadastre and Land Registry) pertaining to the object of the valuation.
- 1.2. The valuation report also covers, where applicable, fixtures and fittings of the property and fixtures and fittings of the building relating to the object of the valuation, however not industrial fixtures and fittings to an extent other than as set forth in the report.
- 1.3. Registered rights in respect of the property have been verified by means of an extract from the Norwegian Land Register. Since the information obtained from the Norwegian Land Register has been assumed to be accurate and complete, no further investigation has been conducted of the legal relations and rights of use. Legal relations beyond those set forth in the Norwegian Land Register have only been taken into account to the extent information thereon has been provided in writing by the client/owner or his representative. Other than as set forth in extracts from the Norwegian Land Register and information provided by the client/owner or his representative, it has been assumed that the object of the valuation is not encumbered by any unregistered easements, right of use agreements or any other agreements which limit, in any respect, the property owner's right to use the property and that the object of the valuation is not encumbered by onerous expenses, fees or other encumbrances. It has also been assumed that the object of the valuation is, in no respect, the subject of a dispute.

2. Assumptions for the valuation report

- 2.1. The information included in the valuation report has been obtained from sources which are deemed to be reliable. All information obtained from the client/owner or his representative and any holders of rights of rise has been assumed to be accurate. The information has only been verified through a general assessment of reasonableness. In addition, it has been assumed that no information of relevance to the valuation opinion has been omitted by the client/owner or his representative.
- 2.2. The land areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these land areas and has not measured them on site or on drawings, but the areas have been verified by means of an assessment of reasonableness. The areas have been assumed to be measured in accordance with the "Norwegian Standards" applicable from time to time.
- 2.3. As regards tenancies and leasehold conditions relating to land or other rights of use, the valuation opinion has, where applicable, been based on applicable leases of property and leases of land, and other rights of use agreements. Copies of these, or other documents, indicating relevant terms and conditions have been obtained from the client/owner or his representative.
- 2.4. It has been assumed that the object of the valuation complies with all requisite requirements from public authorities and terms and conditions applicable to the property, such as plans, etc., and has obtained all requisite permits from public authorities for its use in the manner stated in the report.

3. Environmental matters

- 3.1. The valuation opinion is conditional on land or buildings relating to the object of the valuation not being in need of an environmental clean-up and there being no form of environmental encumbrance.

- 3.2. In light of the provisions of 3.1, the valuer shall not be liable for any loss incurred by the client or a third party as a consequence of the inaccuracy of the valuation opinion due to the object of the valuation being in need of an environmental clean-up or there being any form of environmental encumbrance.

4. Inspection, technical condition

- 4.1. The physical condition of the facilities (buildings, etc.) as described in the report is based on an overall ocular inspection. The inspection conducted has not been of such a nature as to satisfy the seller's duty of disclosure or the buyer's duty. The object of the valuation is assumed to be in a condition and to be of the standard which the ocular inspection indicated at the time of the inspection.
- 4.2. The valuer assumes no liability whatsoever for any latent defects or circumstances which are not obvious on the property, under the ground or in the building and which might affect the value. No liability is assumed for:
 - any matter which would require specialist expertise or special knowledge to discover,
 - the functionality (freedom from defects) and/or the condition of fixtures of buildings, mechanical equipment, pipes or electrical components.

5. Liability

- 5.1. Any claims for damages arising from proven loss arising from any error in the valuation report must be made within one year from the date of the valuation (the date on which the valuation is signed). Any claims for damages arising must be dealt with under Norwegian law and handled by Norwegian court.
- 5.2. The maximum amount of damages which may be payable for proven loss arising from an error in the valuation report is 5 times the assignment fee.

6. Validity of the valuation report

- 6.1. Depending on whether the factors influencing the market value of the object of the valuation change, the valuation opinion referred to in the report is only valid at the date of the valuation subject to the assumptions and reservations set forth in the report.
- 6.2. Future incoming payments and outgoing payments and growth in value as declared in the report, where applicable, have been made based on a scenario which, in the opinion of the valuer, reflects the future projections of the property market. The valuation opinion does not constitute any undertaking as regards actual future growth in cash flow and growth in value.

7. Use of the valuation report

- 7.1. The content of the valuation report and its appendices is the property of the client and shall be used in its entirety for the purpose set forth in the report.
- 7.2. Where the valuation report is used for legal matters, the valuer shall only be liable for direct and indirect loss which may affect the client provided that the report is used in accordance with 7.1. The valuer shall have no liability whatsoever for any loss incurred by any third party as a consequence of such third party having used the valuation report or information provided therein.
- 7.3. Prior to the valuation report or parts thereof being reproduced or referred to in any other written document, the valuation company must approve the content and the manner in which the report is to be referred to.

GENERAL TERMS AND CONDITIONS FOR VALUATION REPORTS, Newsec OY

1. General terms

- 1.1 This statement is confidential both to the Valuer and Client. No liability can be accepted by the Valuer for third-party reliance upon the report.
- 1.2 Publication of this report in whole or in part, or any reference thereto, or to the valuation figures contained therein, or to the names and professional affiliation of the Valuer, is prohibited without the written consent of Newsec Valuation Oy. The report is intended only for use mentioned in the report.
- 1.3 Newsec has a right to get full fee even if the Client decides to interrupt Newsec's mandate.
- 1.4 The Client commits to delivering all information in its possession that have an impact on the valuation such as rent free months that are not included in the lease agreements, termination options as well as agreed upon renovation costs to be paid by the owner. A list of the required initial information can be found in the appendices of this valuation offer. In the case that initial information is either missing, not available or not provided, the outcome of the valuation may be incorrect.
- 1.5 Newsec will inform the Client, without delay, if any changes in the obtaining of relevant information to the valuation occur. Newsec obtains the right to alter the agreed upon schedule in aforementioned circumstances (Force Majeure).
- 1.6 This valuation has been performed in accordance with the following statements:
 - All factual statements presented in the report are correct to the best of the Valuer's knowledge
 - The analyses and conclusions are limited only by the reported assumptions and conditions
 - The Valuer has no interest in the subject properties
 - The Valuer's fee is not contingent upon any aspect of the report
 - The valuation was performed in accordance with an ethical code and performance standards
 - The Valuer has satisfied professional education requirements
 - The Valuer has experience in the location and category of the property being valued
 - This valuation statement is carried out based upon information supplied by the Client and the market information received in the real estate business of Newsec Valuation Oy

2. Compliance with Valuation Standards

- 2.1 The valuation has been conducted in accordance with the Finnish Valuation Standards, standards on good practice in real estate valuation from Finnish Central Chamber of Commerce and the International Valuation Standards (IVS).

3. Purpose of the Valuation

- 3.1 The valuation is to be used for economic reporting.
- 3.2 The valuation has been composed for the client only to be used in the above mentioned purpose, thus the responsibility of the valuer does not apply to third parties or other usages of the valuation. The valuation can not be used directly, for instance, for transactions of individual

properties and the narrow property information does not fulfill the disclosure responsibility in a transaction.

4. Definition of Value

4.1 The valuation has been prepared on the basis of "Market Value" which is defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and with-out compulsion".

5. Environmental Matters

5.1 We have not undertaken, nor are we aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.

5.2 We have not carried out any investigation into past or present uses of the properties nor of any neighbouring land to establish whether there is any potential for contamination from these uses or sites adjacent to the subject properties and have therefore assumed that none exists.

6. Independence

6.1 The total fees, including the fee for this assignment, earned by Newsec Oy (or other companies forming part of the same group of companies within Finland) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Finland revenues.

7. Publication

7.1 Newsec has a right to use the valuation agreed in this proposal as a reference in marketing purposes after the project has ended.

8. Highest and best use

8.1 The property under valuation is currently in its highest and best use, which is defined as the most probable use that is legally possible, physically possible, financially feasible (and appropriately supportable) from the market, and which results in maximum profitability.

9. Liability

9.1 Service provider's liability for Client's loss and damages is limited only to direct damages. Service provider is, however, not liable for damage, which is an inevitable consequence of the performance of the contract duties hereunder and which Service provider could not have avoided even by diligent conduct. Service provider's maximum liability for all loss shall be limited to the amounts paid and due to be received by the Service provider under the contract regulating the activities that gave rise to the claim. The limitation of Service provider's liability shall not exclude damage caused to the Client by wilful conduct, gross negligence or fraud.

9.2 Any claim for damages shall be submitted in writing to Service provider, and no later than one (1) month after the Client became first aware of the damage and at the latest one (1) year after the termination of this agreement.

- 9.3 If the fund/client has AIFMD authorization or the fund is a registered actor in accordance with the AIFM act, in regard to AIFM liabilities Newsec will act as a Valuation Advisor and the valuer's liability is only limited to malicious or gross negligence. Newsec has the right to revise the role of the valuer in the case that the legislation concerning investment funds or the liability of said legislation is altered. The principle is that the valuer's liability for loss shall be limited to the amount of the total valuation fee, in accordance with the Finnish General Conditions for the Provision of Consultancy Services (KSE 2013).

1 Terms of Reference

1.1 Client

Samhällsbyggnadsbolaget i Norden AB

Linus Eklund / Joakim Bill

1.2 Instruction

Date of Instruction is 3 September 2020.

1.3 Object of Valuation

The valuated SBB Portfolio consists of 44 properties and a total lettable area is ca. 41,781 sqm. By number of properties, children welfare centre is the most typical (23 pcs) asset type and senior care home the second typical (11 pcs). By lettable area, senior care homes are the biggest type with a lettable area of 15,681 sqm.

1.4 Purpose of Valuation

The valuation is required for financial reporting purposes.

1.5 Date of Valuation

31 March 2020

1.6 Basis of Valuation

We confirm that the valuation has been carried out on the basis of Market Value. This is considered an internationally accepted basis of valuation.

Market Value is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Our valuation has been prepared in accordance with the appropriate sections of the RICS Valuation – Professional Standards, July 2017 ("the Red Book").

1.7 Inspection

During September 2019 33 properties were inspected of which 31 internally and two externally. Four properties located in Vaasa (Vähäkyrö) were inspected in December 2019. Six care properties sold by Lehto and school in Imatra were inspected externally in Q3/2020. The inspections were performed by members of JLL Finland valuation team.

One care home in Haapajärvi (Männistökatu 13) is valued on desktop basis without inspection.

1.8 Information

We have made an assumption that the information which the Client and its professional advisers have supplied to us in respect of the Property is both full and correct. We have further made an assumption that details of all matters likely to affect the value of the Property, such as prospective lettings, non-payment of rent and outstanding requirements under legislation have been made available to us and that the information is up to date.

1.9 Taxation and transaction expenses

No allowance has been made in our valuation for any taxes or transaction expenses which may arise in the event of a disposal of the Property. All rental and capital values stated are exclusive of Value Added Tax.

1.10 Floor areas

We have not measured the Property or any parts thereof but we have relied that the areas provided to us been measured and determined correctly and in accordance with the methodology customarily applied in local leasing market practice.

1.11 Planning

We have assumed that the Property has been erected and is being occupied and used in accordance with all applicable planning and zoning laws and regulations, consents and permits and that there are no outstanding statutory notices. We assume that the Property and the buildings comply with all statutory and authority requirements including, but not limited to building, fire and health and safety regulations.

1.12 Environmental Investigations

We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records to establish whether any land or premises are or have been contaminated. Unless we have been provided with information to the contrary, we assume that the Property neither is, nor is it likely to be, affected by land contamination and that there are no ground conditions which would affect its present or future use.

1.13 Currency

All statements, values and prices are quoted in euros.

2 Sources of Information

2.1 Data Provided

JLL was provided with a rent roll by the client, containing information of the assets including address, property register numbers, lettable area, use, building years, rental income and lease expiration dates. Moreover, JLL was provided the following documents:

- Sample lease agreement with Humana group (it was confirmed that wording is the same in all Humana group assets)
- Rent roll in August 2020
- Plans related to Tanhurinne 4 city plan change process
- Sales brochure of care homes sold by Lehto Group
- Lease agreement of school in Imatra (Vuoksenniskantie 96)

2.2 Other Information Sources

The following sources of information were used by JLL:

- National Land Survey of Finland (certificates of registered titles)
- Oxford Economics – socio-demographic data, macro-economic indicators
- Information on detailed planning available on town planning department web pages
- Statistics Finland – socio-demographic data, macro-economic indicators on regional level

2.3 Status of Valuer

We confirm that JLL has undertaken the Valuation acting as External Valuers, as defined by the RICS Red Book, TEGoVA and the 'International Valuation Standards' (IVS), qualified for the purpose of the Valuation.

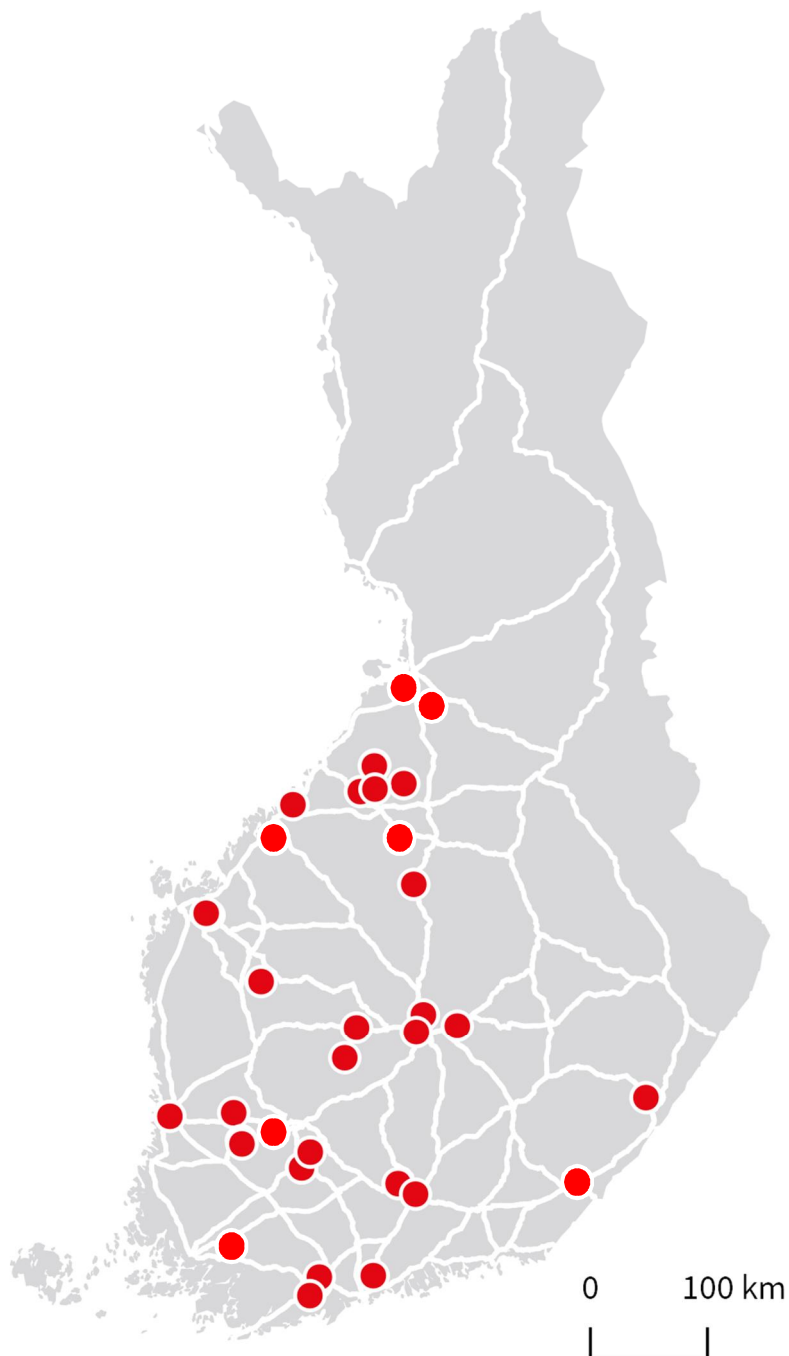
3 Portfolio Overview

3.1 Locations

The properties of the SBB Portfolio are mainly located in smaller cities in Finland. In total, the portfolio is spread across 26 cities and municipalities.

The locations with most properties are Sastamala (4 properties), Vaasa (4 properties), Ylivieska (3 properties), Jyväskylä (3 properties). The other locations have 2 or less properties.

The map below illustrates the locations of the portfolio.



3.2 Description

The valuated SBB Portfolio consists of 44 properties and a total lettable area is ca. 41,781 sqm. By number of properties, children welfare centre is the most typical (23 pcs) asset type and senior care home the second typical (11 pcs). By lettable area, senior care homes are the biggest type with a lettable area of 15,681 sqm. The list of assets is attached to this report.

3.3 Rental Income

Gross Income

The current Gross Rental Income for the Portfolio at the date of valuation is around €5,997,200 p.a.

Net Income

The Net Rental Income for the Portfolio at the date of valuation amounts to around €5,475,450 p.a.

Market Rent

The Market Rental Income for the Portfolio at the date of valuation amounts to around €5,900,900 p.a.

3.4 Costs

For operating expenses, we have adopted costs on property level provided by the client. According to the Client, the leases in Humana group assets are double net leases where tenant is responsible for property operating costs. However, in Humana Group assets we have made costs reservation of 0.15€/sqm/month for property insurance.

3.5 Condition

We were not instructed to carry out structural surveys and we have not been provided with documents fully covering the condition and technical properties of all the assets in the portfolio. For the purposes of this valuation we have estimated the condition of the properties based on the external and internal inspections. Overall, taking into account the age of the some properties they are mainly in satisfactory condition with some assets only in tolerable condition. There are also new or rather new buildings with very good or good condition.

3.6 Services

We understand that the subject properties are connected to municipal or local networks including water, sewerage, electricity and telephone. We assume that the properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We assume that the buildings comply with all statutory and Local Authority requirements including building, fire, health and safety regulations. We have not been informed on any technical issues regarding main services access and have assumed there are not any concerns.

3.7 Planning

Where available we have reviewed the effective detailed plans for each of the asset. The source of information has been the respective town planning website for each location.

3.8 Environmental

We have not been provided with any environmental report nor any information on environmental issues. We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records to establish whether any land or premises are or have been contaminated. Unless we have been provided with information to the contrary, we assume that

the Properties neither are, nor are them likely to be, affected by land contamination and that there are no ground conditions which would affect their present or future use.

4 Legal

We have extracted and reviewed certificates of registered titles for each of the asset from the National Land Survey of Finland based on the register numbers and addresses received from the client. We have made remarks on the property reports accordingly.

4.1 Lease agreements

Lease types

According to the rent roll and information received from the client there are two kinds of leases:

- a) Double net agreements where tenant is responsible for operating costs (Humana group assets, seven asset sold by Lehto Group and school in Imatra).
- b) Gross lease agreement where landlord is responsible for operating costs.

All lease agreements (excluding the residential asset in Sastamala) are in force for fixed period.

The lease agreements are subject to indexation on a yearly basis and we have used an inflation assumption of 2% p.a. The lease maturities on 30th September 2020 can be found in the attached summary.

5 Definitions

Gross Rental Income (GRI)

The Gross Rental Income is the annual income generated by a property with the current contract rents.

Net Rental Income (NRI)

The Net Rental Income is the income a property effectively generates, taking into account the operating expenses, i.e. GRI with the operating expenses subtracted.

Market Rental Value (MRV)

The market rent as defined in the Red Book is:

'This is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. Whenever market rent is provided the 'appropriate lease terms' that it reflects should also be stated.'

The Market Rental Value is the income a property generates p.a. when fully let with market rents.

Net Cash flow

The remaining cash flow after deduction of all accruing costs is considered Net Cash Flow.

Net Capital Value

The sum of the remaining cash flows for years 1 to 10/12/15 and the net proceeds from sale for year 10/12/15 discounted to the valuation date will produce the Net Capital Value (Market Value / Fair Value).

Gross Initial Yield

The Gross Initial Yield is defined as the percentage of the Net Rental Income divided by the Net Capital Value.

Potential Yield

Potential Yield is defined as the percentage of the Market Rental Value minus operating expenses divided by the Net Capital Value.

6 Valuation Method

6.1 DCF Calculation

The calculation of the Market Value of each single asset has been based on the Discounted Cash Flow (DCF) method and the length of cash flow calculation varies from 10 to 15 years.

This is an internationally recognised method, based on transparent, dynamic and explicit valuation parameters to determine the Market Value. Initially all future cash flows (both revenues and costs) are explicitly determined for a ten-year detailed planning period. At the end of this period, a terminal value is calculated, by effectively capitalising all future projected net cash flows generated by the property. The Assumptions made for the model reflect comparable analysis and decisions that would have been made by investors active in the market as at the effective date of valuation.

The cash flows for the relevant year of the detailed planning period are calculated as follows:

The gross rental income at full occupancy is reduced by the loss of rent due to vacancy. The resulting amount reflects the current rental income. After deduction of the non-recoverable costs (maintenance costs, management costs, other costs, ground rents and non-recoverable operating costs), the net cash flow is determined. The respective cash flows of the individual periods are then discounted as at the date of valuation by the pre-determined discount rate.

The calculation of the terminal value after Year 10/12/15 is carried out as follows:

In general, a stabilised cash flow (stabilised rental income less stabilised expenses) can normally be achieved by the end of Year 10/12/15. As no period-overlapping changes are expected in the cash flow after this point, the net operating income at Year 10/12/15 serves as the basis for the forecasted future cash flows. By means of the property-specific capitalisation rate, the net operating income (NOI) is capitalised into perpetuity.

The capitalised terminal value, like the cash flows of the detailed planning period, is likewise discounted to the date of valuation. The result of the DCF method mirrors the economic view that would be taken by the majority of active market participants as at the effective date of valuation and reflects the Market Value.

7 Assumptions

7.1 Market Rental Value

In order to arrive at our opinion on market rental levels, we have either accepted current level as market rent or changed it if the current rent seems to be high or low. The rent per customer place is the key ratio when market rent is defined.

7.2 Rent Indexation

The rents are subject to indexation on a yearly basis. The indexation is based on an inflation assumption of 2% p.a.

7.3 Vacancy

We have adopted a general market vacancy reduction for each property, depending on the local market conditions, property quality and current vacancy rate. Additionally we have also adopted a separate vacancy rate for the terminal period for each property, depending on the local market conditions, property quality and current vacancy rate.

7.4 Costs

Operating expenses

For operating expenses, we have adopted actualised costs on property level provided by the client. According to the Client, the leases in Humana group assets and "Lehto Portfolio" are double net leases where tenant is responsible for property operating costs. However, in Humana Group assets we have made costs reservation of 0.15€/sqm/month for property insurance. City of Imatra is responsible for OPEX excluding renovations in Vuoksenniska school.

Capex investments

For capital expenses we have adopted only our own rough estimations. We have not been provided with documents fully covering the condition of properties.

7.5 Yield

On the next table there are listed examples of major care home/day care portfolio transactions in Finland during 2016-2019. It should be noted that all transaction comparable are made before novel coronavirus (COVID-19) was declared by the World Health Organisation as a "Global Pandemic. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

In recent years, the market has been very active with several new international investors entering Finnish care property market. The evidence shows that gross initial yields for core care home portfolios have lately been ranging from 5.0% to 5.5%. If the locations are in smaller towns but portfolio still have long average lease maturity the yields are in the region of 6.0% to 6.5%. The care home sector has been active but still there is lack of comparable deals of children welfare centres in Finland. Typical care home (senior housing etc.) benefits from good micro location and good public transportation connections.

The children welfare centres are often located in peaceful locations but quite far from public services. The assets are also clearly smaller compared to senior care homes due to limitation of customer places to seven places at maximum. The small asset size and distant location is combination that keep investor demand low for this asset class. There is bigger threat of vacancy and bigger exit risk compared to core/core+ care home properties. Therefore, we estimate that average yield for SBB portfolio is above the level of the recent care home deals.

	City	Object of transaction	Sector	Sale price, M€	Gross initial yield	Purchaser	Vendor
2/2016	Several	Care home portfolio of 27 properties	Senior care	155	Ca 6%	eQ Hoivakiinteistöt	NH-Cap Healthcare I fund
6/2016	Several	Framework agreement on nine care homes	Senior care	75		Hemsö	YIT
9/2016	Several	Day care property portfolio (12 properties)	Child care	22	Ca. 6.4%	Pioneer Property Group	Trevian Care II
4/2017	HMA	Four care homes of which one senior apartments	Senior care	44	Ca <5%	Nordea Henkivakuutus Oy	Minerva Palveluasunnot II Ky
2/2018	Several	Care home portfolio of 30 assets	Senior Care	141	Ca 5.25%	Evli Healthcare I Ky	Healthcare II Fund by Northern Horizon
6/2018	Several	Eight new care homes to be built	Senior Care	34	n/a	Evli Healthcare I Ky	Attendo
10/2018	Several	Care home portfolio of 13 assets	Senior Care	48	Ca 6%	Origa Care AB by Pareto Securities	Titanium Care Fund
4/2019	Several	Care home portfolio of 48 assets	Senior and child care	142	ca 6.25%	SBB	eQ Care Fund
11/2019	Several	Listed company (127 healthcare properties + 55 projects in pipeline)	Senior and child care	n/a	n/a	Aedifica	Listed company, several owners
12/2019	Several	Care home portfolio of seven assets	Senior care etc.	23	>6%	SBB	Lehto Group
12/2019	Several	Care home portfolio of 11 assets	Senior care etc.	>40	n/a	Hemfosa	Capman

Examples of residential care home transactions (2016-2019 YTD)

7.6 Purchasers Costs

In line with the local market practice we have not reflected purchaser's costs in our valuation.

8 Valuation

Market Value

Special assumption: We have assumed that seven properties in "Lehto Portfolio" are completed and leased as informed by SBB

Having regard to the foregoing, we are of the opinion that the aggregate of the Net Market Values of the 44 subject properties in SBB portfolio, with special assumption stated above, free of liabilities and debt, is:

81,950,000

(Eighty One Million and Nine Hundred Fifty Thousand EUROS)

The valuation accuracy is +/- 10%

The value date is 30/9/2020.

Yours faithfully



Jari Tirkkonen MRICS

Director

For and behalf of Jones Lang LaSalle Finland Oy

Material valuation uncertainty due to Novel Coronavirus (COVID – 19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of properties under frequent review.

Appendix:

-Summary of portfolio

-Property cards

Valuation statement as of 22 September 2020

Colliers International Danmark A/S ('Colliers') has been instructed by Samhøllsbyggnadsbolaget, Strandvægen 3, SE-114 51 Stockholm, to carry out valuations of five properties located in various locations throughout Denmark. The valuation date of the valuations is 18 September 2020. The aim of the valuations is to estimate the market values of the properties.

The properties are held freehold. Colliers carried out inspections in 2019, corresponding to a value of SEK 901,680,451. The lettable area amounts to 51,095 sq m, of which 29,044 sq m are educational area, 15,513 sq m are office area, 6,042 sq m are area used for other commercial purpose and 496 sq m are retail area.

Some of the properties are located in the Capital Region, not far from the Copenhagen, whereas other properties are located in Region Zealand, Region of Central Denmark and Region of Southern Denmark.

The valuations have been prepared in accordance with the definitions of market value according to RICS Red Book and comply with the definitions and value concepts stated in International Valuation Standards 2017 (IVS 2017) established by the International Valuation Standard Council (IVCS) as follows:

'Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

The valuations have been carried out by valuers qualified for the assignment and acting as external valuers. We have proper knowledge of the property market and the current market segments and thus the skills required to carry out the valuations.

The value estimations have been performed using the capitalisation method that determines the value of a property based on the estimated net operating income of the property for a stabilised year capitalised by a yield requirement and adjusted for special property specific matters.

The outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as a 'global pandemic' on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes to inform opinions of value.

Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of 'material valuation uncertainty' as stated in RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Property under frequent review.

Property list

Title no.	Address
1ac and 1td Glostrup By, Glostrup	Skolevej 6, DK-2600 Glostrup
476d Slagelse Markjorder	Sdr. Stationsvej 28K, DK-4200 Slagelse
19gæ et al. Ballerup By, Ballerup	Malmparken 10, DK-2750 Ballerup
174q Randers Bygrunde	Toldbodgade 3, DK-8900 Randers C
6f Svendborg Markjorder – commonhold unit no. 1	Bryghusvej 30, DK-5700 Svendborg
738y Fredericia Bygrunde	6. Julivej 67, DK-7000 Fredericia
544b Randers Bygrunde	Nørregade 1 and 5-7, DK-8900 Randers
12br Høje-Taastrup By, Høje Taastrup	Erik Husfeldts Vej 2A, DK-2630 Taastrup

As of 22 September 2020, the market value of the eight properties in Denmark has been estimated at:

DKK 645 million

in letters **Danish kroner six hundred forty-five million 00/100 on a cash basis**

SEK 902 million

in letters **Swedish kroner nine hundred two million 00/100 on a cash basis**

5 October 2020



Peter Winther
CEO, Partner, Chartered Surveyor



Søren Skovbjerg
Senior Associate, M.Sc. Accounting, Strategy and Control

Registered office and advisors

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