

## **The Board of Directors' report pursuant to Chapter 16a, Section 7 of the Swedish Companies Act (2005:551) regarding the proposal concerning certain related party transactions**

The Board of Directors of Samhällsbyggnadsbolaget i Norden AB (publ), corporate identity number 556981-7660, (the "Company" or "SBB") hereby submits, in accordance with Chapter 16a, Section 7 of the Swedish Companies Act (2005:551), a report and proposal for a resolution on the approval of the extraordinary general meeting of the Company (item 7 on the agenda).

According to Chapter 16a of the Swedish Companies Act, certain related party transactions must be submitted to the general meeting for approval. The following report refers to the transactions that the Board of Directors has decided to submit to the extraordinary general meeting for approval and has been prepared with regard to Chapter 16a, Section 7 of the Swedish Companies Act and to provide shareholders with relevant information about the transactions in question.

### **Background**

SBB intends to transfer three wholly owned subsidiaries (directly or indirectly), together referred to as "SocialCo", one of which is indirectly owned by Samhällsbyggnadsbolaget i Norden Holding AB ("SBB Holding") (the "SBB Holding Subsidiary"), to Public Property Invest ASA ("PPI"), a Norwegian real estate company whose shares are listed on the Oslo Stock Exchange, and to transfer shares in PPI to APG Invest AS ("APG") (the "Transaction"). The Transaction is, among other things, subject to approval by the general meeting, and the board of directors of SBB therefore proposes that the general meeting resolve to approve the Transaction as set out below.

SBB's ownership interest in PPI corresponds to approximately 33.54 per cent of the shares and votes prior to the Transaction. APG is a Norwegian real estate company whose parent company, Aker ASA, is listed on the Oslo Stock Exchange. APG holds shares in SBB corresponding to approximately 8.63 per cent of the shares and 28.76 per cent of the votes in SBB. APG is also one of the largest shareholders in PPI, with a holding corresponding to approximately 24.58 per cent of the shares and votes prior to the Transaction.

The agreed underlying property value amounts to approximately SEK 32 billion, of which SEK 29 billion relates to the transaction entered into by SBB Holding. The proceeds from the Transaction will be used by SBB and SBB Holding, respectively, for, among other things, repayment of debt financing and redemption of outstanding bonds. In addition, part of the proceeds will be used for reinvestment in PPI through an in-kind contribution in which the Company indirectly will receive shares in PPI as set out below (the "Reinvestment").

Through the Reinvestment, SBB Holding will acquire a total amount of 446,858,803 shares in PPI at a price not exceeding NOK 23 per share, of which 369,317,325 non-voting shares and 77,541,478 shares carrying voting rights. In connection with the Reinvestment, SBB Holding will transfer 182,353,200 non-voting shares to APG. The proceeds from this transfer will consist of (i) NOK 4,103,955,941 and (ii) 3,920,333 shares in PPI carrying voting rights.

SBB will through the Transaction indirectly transfer approximately 740 community properties across Sweden, Norway, Denmark and Finland of which 590 are held by SBB Holding.

### **The Board of Directors' proposal to the Extraordinary General Meeting**

The Transaction that the Board of Directors proposes that the Extraordinary General Meeting approve thus comprises the following parts:

1. The transfer of the Company's shares in SocialCo to PPI, which includes a sale of a vast majority of the wholly owned public property companies in the SBB Group. The total agreed property value of the property companies that are thereby divested through the transfer of all shares in SocialCo amounts to approximately SEK 32 billion.
2. The transfer of a part of the Company's non-voting shares in PPI, which would have been obtained as a result of the Reinvestment, to APG. The purchase price for the transferred non-voting shares in PPI would amount to NOK 4,194,123,600, of which NOK 4,103,955,941 will be paid in cash and the remaining amount (corresponding to NOK 90,167,659) in 3,920,333 shares in PPI carrying voting rights.

In addition to approval by the extraordinary general meeting of SBB, the Transaction is subject to approval of several resolutions at an extraordinary general meeting of PPI and, for the introduction of non-voting shares, an amendment to the articles of association of PPI. Following completion of all parts of the Transaction, including the Reinvestment and a planned subsequent offering in PPI, SBB's ownership interest in PPI will amount to 39.99 per cent of the shares, corresponding to 33.54 per cent of the votes.

Under the terms of the Transaction agreement, and subject to customary regulatory and shareholder approvals, PPI will acquire SocialCo. The transaction value represents approximately 8 percent below SBB's and SBB Holding's gross asset value ("GAV") for the transferred assets, which amounts to approximately SEK 35 billion and SEK 32 billion as of 30 September 2025 respectively. The purchase price has been determined following commercial negotiations at arm's length. The fairness of the agreed amounts is supported by (i) a fairness opinion issued by the independent adviser KPMG, obtained by the Board of Directors of SBB in connection with the Transaction, (ii) a fairness opinion issued by the independent adviser Citigroup, obtained by the Board of Directors of SBB in connection with the Transaction, and (iii) a separate fairness opinion from KPMG, obtained by the Board of Directors of SBB Holding solely in relation to the transfer of the SBB Holding Subsidiary to PPI.

### **The Board's assessment**

The Board of Directors assesses that the Transaction will strengthen SBB's financial position by reducing debt, extending debt maturities, and providing greater financial flexibility to optimize performance, value, and growth in the remaining portfolios. The Board of Directors' assessment is that, through the implementation of the Transaction, SBB will be a leading and resilient company that is positioned for future growth. The company's remaining debt will be at very attractive levels with bonds maturing in 2028/2029 with an average coupon rate of 1.35 percent. Shareholders will retain their exposure through SBB's continued ownership in PPI. The expanded PPI platform will also enable access to financing on more attractive terms, supported by a lower risk profile and increased scale, unlocking financial synergies for the platform. Further operational synergies are expected from the reduction in administrative costs, which is expected to drive up cash flow over time.

Strategically, the Board of Directors considers the Transaction to be pivotal for SBB, as it significantly reduces the risks in the balance sheet and simplifies the structure, while the

Company increases its ownership in the enlarged PPI and retains its position as the largest shareholder. This gives the Company a core business in line with investment grade and improved potential for credit rating.

#### *Estimated financial impact for SBB*

- The Transaction is expected to generate operating synergies of SEK 100 million per year.
- SBB's share of SEK 96 million in financial synergies per year, assuming a pro forma cost of debt upon refinancing of 130 basis points compared to SBB and SocialCo's current cost.
- Pro forma loan-to-value (LTV) for SBB will decrease by 2 percentage points to 57 percent from 59 percent (as of the third quarter of 2025).
- SEK 11 billion in net proceeds will be generated.
- Access to capital is improved through reduced financial risk, increased transparency, simplified corporate structure, and improved cash flow, which provides advantages when financing other investments, such as SBB Residential Property AB.

#### **Related party transactions**

Given the size of SBB's shareholding in PPI, PPI is considered an associated company of SBB in accordance with Chapter 1, Section 5 and Section 8, second paragraph, of the Annual Accounts Act (1995:1554). SBB and PPI are therefore considered to be related parties within the meaning of Chapter 16a, Section 3 of the Swedish Companies Act. Due to the size of APG's shareholding in SBB, SBB and APG are also related parties pursuant to Chapter 16a, Section 3 of the Swedish Companies Act, in conjunction with Chapter 1, Section 5 and Section 8, third paragraph of the Swedish Annual Accounts Act.

Both SBB's transfer of shares in SocialCo to PPI and SBB's (through SBB Holding) transfer of non-voting shares in PPI to APG constitute material transactions with related parties that are covered by Chapter 16a of the Swedish Companies Act and therefore require the approval of the Company's general meeting. Given that the transactions are interdependent, the Board of Directors has resolved that the matter of the general meeting's approval shall be considered jointly as one decision.

#### **Timeline**

Provided that the general meeting approves the Transaction as described above, and provided that other conditions for the Transaction are met, including but not limited to decisions on and implementation of the above-described issues in PPI and obtaining the necessary regulatory approvals, the Transaction is expected to be completed during the last quarter of 2025 or the first quarter of 2026.

#### **Preparation of the proposal**

The proposal has been prepared by the Company's board of directors following negotiations carried out with the support of external advisors. Board members Kjell Inge Røkke and Øyvind Eriksen have not participated in the Board's preparation or proposal regarding the Transaction due to their positions as majority owner and Chairman of the Board of Aker ASA and CEO of Aker ASA, respectively. In addition, board member Ilija Batljan, in view of his role as a senior

executive of PPI, did not participate in the board's preparation of the matter or proposal for a decision.

The Board of Directors proposes that the extraordinary general meeting of the Company resolve to approve the Transaction on the terms and conditions set out above.

---

Stockholm, November 2025

**Samhällsbyggnadsbolaget i Norden AB (publ)**

*The Board of Directors*