

**SUPPLEMENT DATED 22 JANUARY 2021  
TO THE BASE PROSPECTUS DATED 24 JULY 2020**



**SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)**

*(incorporated with limited liability in Sweden)*

**SBB TREASURY OYJ**

*(incorporated with limited liability in Finland)*

**€8,000,000,000**

**(increased from €4,000,000,000)**

**Euro Medium Term Note Programme**

*unconditionally and irrevocably guaranteed by*

**SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)**

*(incorporated with limited liability in Sweden)*

This base prospectus supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 24 July 2020 and the base prospectus supplements dated 3 November 2020 and 7 December 2020 (together, the "**Base Prospectus**") prepared by Samhällsbolaget i Norden AB (publ) ("**SBB**", and in its capacity as guarantor of Notes issued by SBB Treasury Oyj, the "**Guarantor**") and SBB Treasury Oyj ("**SBBT**" and, together with SBB, the "**Issuers**") in connection with their Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of the Supplement is to:

- a) reflect an increase in the amount that may be issued under the Programme from €4,000,000,000 to €8,000,000,000; and
- b) update certain parts of the Base Prospectus with recent developments and regulatory updates.

This Supplement has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the CBI should not be considered as an endorsement of the Issuers, the Guarantor or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuers and the Guarantor each accept responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer and the Guarantor, the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which may affect the assessment of the Notes issued under the Programme since the publication of the Base Prospectus.

## INCREASE IN THE PROGRAMME SIZE

Pursuant to the Programme Agreement dated 24 July 2020 (as modified, supplemented or restated from time to time, the "**Programme Agreement**"), the maximum aggregate principal amount of Notes issued by the Issuers under the Programme that may be outstanding at any one time (the "**Programme Size**") has been increased from the current Programme Size of €4,000,000,000 to €8,000,000,000 (or its equivalent in other currencies, calculated as described in the Programme Agreement).

From the date of this Supplement, all references in the Base Prospectus to the Programme Size of €4,000,000,000 shall be deemed to be references to the Programme Size of €8,000,000,000. The Programme Size may be further increased from time to time in accordance with the Programme Agreement.

The increase of the Programme Size from €4,000,000,000 to €8,000,000,000 has been duly authorised by a resolution of the Board of Directors of SBB passed on 15 January 2021 and by a resolution of the Board of Directors of SBBT passed on 20 January 2021.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### 1. COVER PAGE

- i. On page ii of the Base Prospectus, the fourth paragraph shall be deleted and replaced with the following:

"SBB has been rated BBB- by S&P Global Ratings Europe Limited ("S&P") and BBB- by Fitch Ratings Ireland Limited ("Fitch"). S&P and Fitch are established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Accordingly, SBB's issuer ratings issued by S&P and Fitch have been endorsed by S&P Global Ratings UK Limited and Fitch Ratings Ltd respectively, each in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the **UK CRA Regulation**) and have not been withdrawn. As such, the ratings issued by S&P and Fitch may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to SBB by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency."

### 2. MiFID II PRODUCT GOVERNANCE / TARGET MARKET

- i. On page iii and iv of the Base Prospectus, the paragraph commencing "**IMPORTANT – EEA AND UK RETAIL INVESTORS**" shall be deleted in its entirety and replaced with the following:

**"IMPORTANT – EEA RETAIL INVESTORS** - If the Final Terms or any drawdown prospectus in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT - UK RETAIL INVESTORS** – If the Final Terms or any drawdown prospectus in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services Markets Act 2000 (as amended, "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation."

- ii. On page iv of the Base Prospectus, the following shall be added after the section titled "**MiFID II PRODUCT GOVERNANCE/TARGET MARKET**":

#### **"PRODUCT GOVERNANCE UNDER UK MIFIR**

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules."

### **3. RISK FACTORS**

With effect from the date of this Supplement, the "*Risk Factors*" section shall be amended as follows:

- i. the following risk factor (added through the Supplement to the Base Prospectus dated 7 December 2020) is amended as follows:

#### ***Risks relating to the Offer - The Offer is subject to significant uncertainties.***

In the first paragraph, the words: "*The Offer is expected to be open until the end of 2020, however, the process is currently at a very early stage.*" shall be deleted.

- ii. The following paragraphs shall be added to the risk factor entitled "***The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to such "benchmarks"***" on page 17 of the Base Prospectus:

"Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU and the UK, respectively.

The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation or the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark."

#### **4. FORM OF FINAL TERMS**

- i. On page 29 of the Base Prospectus, the paragraph titled "[**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**" in the form of Final Terms shall be deleted in its entirety and replaced with the following:

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

- ii. On page 29 of the Base Prospectus, the following paragraph in the form of Final Terms shall be added as a new paragraph 3:

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

- iii. On page 38 of the Base Prospectus, the line item titled "**2. RATINGS**" in the form of Final Terms, shall be deleted in its entirety and replaced with the following:

#### **2. RATINGS**

Ratings: [The Notes to be issued [[have been]/[have not been]/[are expected to be]] rated]:

[insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

"Each of [defined terms] is established in the [European Union/United Kingdom] [and is registered under Regulation (EC) No. 1060/2009 [(as amended or superseded)/ as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018] (the "[UK] CRA Regulation")]] (Amend / include further information as appropriate)"

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

- iv. On page 40 of the Base Prospectus, in section 7 of Part B to the form of Final Terms, the line item titled "(vii) Prohibition of Sales to EEA and UK Retail Investors:" shall be deleted in its entirety and replaced with the following:

"(vii) Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
(viii) Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]

[If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no Key Information Document will be prepared, "Applicable" should be specified.)]

[If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no Key Information Document will be prepared, "Applicable" should be specified.)]"

## 5. SUBSCRIPTION AND SALE

On page 107 of the Base Prospectus, the selling restriction titled "**Prohibition of Sales to EEA and UK Retail Investors**" shall be deleted in its entirety and replaced with the following:

### **"Prohibition of Sales to EEA Retail Investors"**

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression an "offer" includes 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 purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a drawdown prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State 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 purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

### **Prohibition of sales to UK Retail Investors**

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer shall be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a drawdown prospectus, as the case may be) to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, and

- (b) the expression an **offer** includes 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 purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer shall be required to represent and agree that it has not made and will not make an offer of Notes to the public which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer 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 Notes 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 purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

## **AMENDMENTS TO "DESCRIPTION OF SBB AND ITS OPERATIONS" SECTION**

The section "*Offer to acquire Entra ASA*" inserted on page 97 of the Base Prospectus under the heading "*Recent Developments*" (included through the Supplement to the Base Prospectus dated 7 December 2020) shall be deleted and replaced with the following updated text:

### **Offer to acquire Entra ASA**

On 27 November 2020, SBB announced its initial Offer to acquire Entra in exchange for a combined consideration of cash and shares in SBB. SBB announced an updated Offer on 23 December 2020. At this stage there can be no assurance that the transaction will proceed, on the basis of the terms of the Offer, or alternative terms. Completion of the Offer is subject to customary conditions including, but not limited to, 90 per cent. minimum acceptance of the Offer. A competing offer to acquire Entra has also been made from another potential purchaser. There can be no assurance whether the Offer will be accepted, the timeline for completion of the Offer nor of the acquisition of Entra if the Offer is accepted.

SBB has offered Entra shareholders NOK 190 per Entra share, delivered as a combination of NOK 123.50 in cash (the "**Cash Consideration**") and NOK 66.50 (the "**Share Consideration**") in new SBB Class B Shares. Based on the average share price on 7 January 2021, approximately 432 million SBB Class B shares will be issued to Entra shareholders to fund the Share Consideration and a total of NOK 22,100 million will be paid as the Cash Consideration, resulting in a 35 per cent. Share Consideration and 65 per cent. Cash Consideration mix. SBB reserves the right to settle the Share Consideration for the Acquisition of Entra partially or wholly in cash at its sole discretion. Further, SBB is offering shareholders of Entra a mix & 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. The terms of the Offer may change, and further developments are expected, during the process of negotiation.

SBB will finance the Cash Consideration through a combination of existing cash reserves and an undrawn bridge facility entered into with Goldman Sachs. SBB intends to refinance such bridge loan through future bond issuance, and a portion of the bridge loan may be cancelled following the next bond issuance by SBB.

On 25 November 2020, Fitch Ratings Limited upgraded the rating outlook for SBB to positive from stable, which means that SBB's rating is currently BBB- with positive outlook for the company and its unsecured debt. The revision to positive outlook followed SBB's announced intention on 24 November 2020 to submit a voluntary public takeover bid to acquire Entra, and reflects the expected improvements in business profile in the event that the Offer is accepted. There can be no assurance that this position will be maintained if the Offer is not accepted. On 30 November 2020, S&P Global Ratings affirmed the rating of SBB's senior unsecured debt as BBB-, outlook stable.

The rationale behind the proposed business combination is to create the leading European social infrastructure player with significantly enhanced scale and visibility. Entra had total group assets of NOK 54,441 million as at 30 September 2020 (according to its published interim third quarter financial statements). If Entra were to be acquired by SBB there would be a significant increase in the operations of SBB. In the opinion of management the acquisition would also present an extension of SBB's existing strategy, adding to its social infrastructure portfolio within Norway. The management of SBB has estimated aggregate pre-tax run-rate synergies of approximately SEK 260 million per annum as a result of the combination. However, there can be no assurance that such synergies will be realised or that there will be no adverse impact on the operations of the Group.

Arctic Securities, Citigroup Global Markets Europe AG, DNB Markets and Goldman Sachs International are acting as financial advisors to SBB in connection with the Offer.

## PRO FORMA FINANCIAL STATEMENTS SECTION

With effect from the date of this Supplement, the section "*Pro Forma Financial Statements*" (added through the Supplement to the Base Prospectus dated 7 December 2020 as a new section after the section "*Ownership Structure of SBB*" ending on page 103 of the Base Prospectus) shall be deleted and replaced with the following:

## PRO FORMA FINANCIAL STATEMENTS

### 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.

### 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.

## **BASIS AND ASSUMPTIONS ON WHICH THE PRO FORMA FINANCIAL STATEMENTS HAVE BEEN PREPARED**

### **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.

### **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

## **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

## **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.

## **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 statement 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.

## **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.

### **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.

### **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.

#### **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.

#### **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.

**PRO FORMA INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER  
2019**

*In SEK million*

	SBB (190101- 191231) IFRS (Audited)	Hemfosa (190101- 191222) IFRS (Audited)	Pro forma adjustment s (Unaudited)	Note	Entra (190101- 191231) IFRS (Audited)	Pro forma adjustments (Unaudited)	Note	SBB Pro forma income statement Total (Unaudited)
Rental income	1,996	2,810			2,513			7,319
Operating costs	(731)	(803)			(203)			(1,737)
<b>Net operating income</b>	<b>1,265</b>	<b>2,007</b>	-		<b>2,310</b>	-		<b>5,582</b>
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
<b>Profit before financial items</b>	<b>1,138</b>	<b>1,867</b>	<b>(83)</b>		<b>2,504</b>	<b>(246)</b>		<b>5,180</b>
Financial income and expenses	(493)	(546)	(4)	A2	(592)	(317)	B2	(1,953)
<b>Profit from property management</b>	<b>645</b>	<b>1,320</b>	<b>(87)</b>		<b>1,913</b>	<b>(563)</b>		<b>3,228</b>
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
<b>Profit before tax</b>	<b>3,137</b>	<b>2,916</b>	<b>(87)</b>		<b>4,014</b>	<b>(563)</b>		<b>9,417</b>
Tax	(513)	(545)	1	A3	(547)	68	B3	(1,536)
<b>Net profit for the year</b>	<b>2,624</b>	<b>2,372</b>	<b>(86)</b>		<b>3,466</b>	<b>(495)</b>		<b>7,880</b>

**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.

**PRO FORMA INCOME STATEMENT FOR THE NINE MONTH PERIOD ENDED 30  
SEPTEMBER 2020**

<i>In SEK million</i>	SBB (200101 – 200930) <b>IFRS</b>	Entra (200101- 200930) <b>IFRS</b>	Pro forma adjustments <b>(Unaudited)</b>	Note	SBB Pro forma income statement Total <b>(Unaudited)</b>
Rental income	3,868	1,739			5,607
Operating costs	(1,199)	(152)			(1,351)
<b>Net operating income</b>	<b>2,669</b>	<b>1,587</b>	-		<b>4,256</b>
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
<b>Profit before financial items</b>	<b>2,489</b>	<b>1,576</b>	-		<b>4,065</b>
Financial income and expenses	(888)	(411)	(237)	A1	(1,536)
<b>Profit from property management</b>	<b>1,601</b>	<b>1,163</b>	<b>(237)</b>		<b>2,527</b>
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)
<b>Profit before tax</b>	<b>6,142</b>	<b>2,319</b>	<b>(237)</b>		<b>8,224</b>
Tax	(408)	(495)	51	A2	(853)
<b>Net profit for the year</b>	<b>5,734</b>	<b>1,825</b>	<b>(186)</b>		<b>7,373</b>

**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.

**PRO FORMA BALANCE SHEET AS OF 30 SEPTEMBER 2020**

<i>In SEK million</i>	<b>SBB (200930) IFRS (Unaudited)</b>	<b>Entra (200930) IFRS (Unaudited)</b>	<b>Pro forma adjustments (Unaudited)</b>	<b>Note</b>	<b>SBB Pro forma balance sheet Total (Unaudited)</b>
<b>ASSETS</b>					
.....					
<b>Fixed assets</b>					
.....	-	-	-		-
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
<b>Total fixed assets</b>	<b>91,913</b>	<b>50,757</b>	<b>12,347</b>		<b>155,017</b>
<b>Current assets</b>					
.....					
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
<b>Total current assets</b>	<b>8,327</b>	<b>1,033</b>	<b>(5,994)</b>		<b>3,366</b>
<b>TOTAL ASSETS</b>	<b>100,240</b>	<b>51,790</b>	<b>6,353</b>		<b>158,383</b>
<b>EQUITY AND LIABILITIES</b>					
.....					
<b>Equity</b>	<b>41,983</b>	<b>24,203</b>	<b>(10,859)</b>	<b>C</b>	<b>55,327</b>
.....					
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
<b>Total liabilities</b>	<b>58,257</b>	<b>27,587</b>	<b>17,212</b>		<b>103,056</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100,240</b>	<b>51,790</b>	<b>6,353</b>		<b>158,383</b>
.....					

## **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
<hr/>	
<b>Goodwill</b>	<b>SEK 7,876 million</b>

### **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
<b>Pro forma equity adjustment</b>	<b>SEK -10,859 million</b>

**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 SEK 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.



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To the Board of Directors of  
Samhällsbyggnadsbolaget i Norden AB

**Independent Practitioners' Assurance Report on the compilation of pro forma financial information included in a base prospectus**

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 "Pro Forma Financial Statements" of the supplement dated 22 January 2021 to the base prospectus dated 24 July 2020 as supplemented by the base prospectus supplements dated 3 November 2020 and 7 December 2020 (together, the "Base Prospectus") issued by SBB. 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 and described in section "Pro Forma Financial Statements" of the Base Prospectus (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 "Pro Forma Financial Statements" of the Base Prospectus 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 "Pro Forma Financial Statements" of the Base Prospectus 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 "Documents Incorporated by Reference" of the Base Prospectus. The auditor's report on Entra ASA's financial statements for the year ended 31 December 2019 is included in the relevant Entra ASA annual report annexed to the Base Prospectus by a supplement to the Base Prospectus dated 7 December 2020. The auditor's report on Hemfosa Fastigheter AB's financial statements for the year ended 31 December 2019 has not been included or incorporated by reference in the Base Prospectus.

#### ***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 "Pro Forma Financial Statements" of the Base Prospectus, 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 "Pro Forma Financial Statements" of the Base Prospectus. 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 "Pro Forma Financial Statements" of the Base Prospectus; and
- b) that basis is consistent with the accounting policies of SBB.

Stockholm, 22 January 2021

ERNST & YOUNG AB



Mikael Ikonen

Authorized Public Accountant