



Sveafastigheter

Invitation to acquire shares in Sveafastigheter AB (publ)

JOINT GLOBAL COORDINATORS


DNB
Markets

SEB

JOINT BOOKRUNNERS

Danske Bank

Nordea

Swedbank 

IMPORTANT INFORMATION FOR INVESTORS

This offering circular (the "**Offering Circular**") has been prepared in connection with the offering to the general public in Sweden and listing on Nasdaq First North Premier Growth Market (the "**Offering**") of shares in Sveafastigheter AB (publ) (a Swedish public limited liability company). In the Offering Circular, "**Sveafastigheter**", the "**Company**" or the "**Group**" refers to (i) Sveafastigheter AB (publ), (ii) the group in which Sveafastigheter is the parent company or (iii) a subsidiary of the group, as the context may require. The "**Selling Shareholder**" refers to SBB i Norden AB and "**SBB**" refers to Samhällsbyggnadsbolaget i Norden AB (publ), the parent company of the Selling Shareholder and the Company. The "**Joint Global Coordinators**" refer to DNB Markets, a part of DNB Bank ASA, Sweden Branch ("**DNB**") and Skandinaviska Enskilda Banken AB ("**SEB**"). The "**Managers**" or the "**Joint Bookrunners**" refer to the Joint Global Coordinators and Danske Bank A/S, Danmark, Sverige Filial ("**Danske Bank**"), Nordea Bank Abp, filial i Sverige ("**Nordea**") and Swedbank AB (publ) ("**Swedbank**"). Refer to the section "**Definitions**" for the definitions of these and other terms in the Offering Circular.

The Offering and the Offering Circular are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Offering of the Offering Circular.

A Swedish language version of the Offering Circular (the "**Swedish Prospectus**") has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") in accordance with 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 2003/71/EC (the "**Prospectus Regulation**"). The SFSA only approves that the Swedish Prospectus meets the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Further, this approval should not be considered as any endorsement, neither of the issuer referred to in the Swedish Prospectus nor of the quality of the securities that are the subject of the Swedish Prospectus, and investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus was approved by the SFSA on October 7, 2024. The Swedish Prospectus is valid for up to twelve months following the date of the approval of the Swedish Prospectus, provided that the Swedish Prospectus is completed with supplements when required pursuant to Article 23 of the Prospectus Regulation. Any supplements will be published on the Company's website. The obligation to supplement the Swedish Prospectus in the event of significant new circumstances, factual errors or material inaccuracies does not apply after the closing of the application period. In the event of discrepancies between the Offering Circular and the Swedish Prospectus, the Swedish Prospectus shall prevail.

NOTICE TO INVESTORS

The Offering is not directed to the general public in any country other than Sweden. Existing shareholders in SBB will be given priority to acquire shares in the Offering, subject to restrictions that may arise from applicable securities laws. Nor is the Offering directed to such persons whose participation requires additional offering circulars, registrations or measures other than those prescribed by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden, that would allow any offer of the shares to the public, or allow holding and distribution of the Offering Circular or any other documents pertaining to the Company or its shares in such jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Persons into whose possession the Offering Circular comes are required by the Company and the Managers to inform themselves about and to observe such restrictions. Neither the Company nor any of the Managers accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions. In connection with the Offering, the Managers are not acting for anyone other than the Company and the Selling Shareholder and will not be responsible to anyone other than the Company and the Selling Shareholder. For a description of these and certain other restrictions, see "**Selling restrictions and transfer restrictions**".

The information contained in the Offering Circular has been provided by the Company and other sources identified herein. Distribution of the Offering Circular to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of the Offering Circular in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. The Offering Circular is personal to each offeree and does not constitute any offer to any other person or to the general public to acquire shares in the Offering.

United States

The shares in the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state of the United States, and may not be offered or sold within the United States unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. In the United States, the shares will be sold only to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in and in reliance on Rule 144A under the Securities Act or pursuant to another exemption from, or in a transaction not subject to, the requirements of the Securities Act. All offers and sales of shares outside the United States will be made in compliance with Regulation S under the Securities Act. Prospective purchasers that are QIBs are hereby notified that the sellers of the shares in the Offering may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. In the United States, the Offering Circular is being furnished on a confidential basis solely for the purpose of enabling a prospective investor that is a QIB to consider purchasing the particular securities described herein. The shares in the Offering have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Offering Circular. Any representation to the contrary is a criminal offence in the United States.

United Kingdom

This Offering Circular has been prepared on the basis that any offer of the securities referred to herein in the United Kingdom (the "**UK**") will be made pursuant to an exemption under the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") from the requirement to publish a prospectus for offers of the securities referred to herein. This Offering Circular is for distribution only to and is directed only at: (i) persons who are outside the UK or (ii) persons in the UK who are qualified investors as defined in Article 2(e) of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA that are also: (a) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), or (b) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (c) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to and will be engaged in only with relevant persons.

Canada

This Offering Circular may not be used to solicit, and will not constitute a solicitation of, an offer to buy shares to Canadian nationals or in Canada.

European Economic Area

This Offering Circular has been prepared on the basis that any offer of shares in any member state of the EEA (with the exception of Sweden) (each a "**Relevant State**") will be made pursuant to an exemption under Prospectus Regulation from the requirement to publish a prospectus. In a Relevant State, this Offering Circular is for distribution only to persons who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation. The shares are not intended to be offered or sold to and should not be offered or sold to any retail investor in a Relevant State. For these purposes, a "retail investor" means a person who is a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MIFID II**").

NASDAQ FIRST NORTH PREMIER GROWTH MARKET

Nasdaq First North Premier Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland, Iceland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Premier Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Premier Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with Shares admitted to trading on Nasdaq First North Premier Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

STABILIZATION

In connection with the Offering, DNB may carry out transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilization transactions

may be effected on Nasdaq First North Premier Growth Market, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq First North Premier Growth Market and ending no later than 30 calendar days thereafter. DNB is, however, not required to undertake any stabilization and there is no assurance that stabilization will be undertaken.

Stabilization, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. No later than by the end of the seventh trading day after stabilization transactions have been undertaken, the Joint Global Coordinators shall disclose that stabilization transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014. Within one week of the end of the stabilization period, the Joint Global Coordinators will make public whether or not stabilization was undertaken, the date at which stabilization started, the date at which stabilization last occurred and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out.

IMPORTANT INFORMATION ABOUT THE SELLING OF SHARES

Note that notifications about allotment to the public in Sweden will be made through distribution of contract notes, expected to be distributed on or around October 18, 2024. Institutional investors are expected to receive notification of allotment on or around October 18, 2024 in particular order, whereupon contract notes are dispatched. After payments for the allocated shares have been processed by the Managers, the duly paid shares will be transferred to the securities depository account or the securities account specified by the acquirer. The time required to transfer payments and transfer duly paid shares to the acquirers of shares in Sveafastigheter means that these acquirers will not have shares available in the specified securities depository account or the securities account until October 18, 2024 at the earliest. Trading in Sveafastigheter's share on Nasdaq First North Premier Growth Market is expected to commence on October 18, 2024. Accordingly, if shares are not available in an acquirer's securities account or securities depository account until October 18, 2024 at the earliest, the acquirer may not be able to sell these shares on the stock exchange as from the time trading in the shares commences, but first when the shares are available in the securities account or the securities depository account.

INFORMATION TO DISTRIBUTORS

With regard to product governance requirements in: (a) EU Directive 2014/65/EU on markets in financial instruments, ("**MIFID II**"), (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MIFID II, (c) national transposition measures (collectively, "**MIFID II product governance requirements**"), and without liability for damages that may otherwise be imposed on a "producer" under MIFID II product governance requirements, the shares in the Company have been subject to a product approval process, where the target market for the shares in the Company are (i) retail clients and investors that qualify as professional clients and eligible counterparties, individually as defined in MIFID II, (ii) suitable for distribution through all distribution channels permitted under MIFID II, (iii) clients that are unsophisticated investors, meaning clients with basic capital markets knowledge or experience about shares, (iv) clients with a balanced risk tolerance with the ability to bear losses up to the entire invested amount, and (v) clients whose investment objective is to seek capital growth or potential dividend returns. The negative target market for an investment in the shares of the Company is (i) retail clients seeking capital protection or full repayment of the amount invested, and (ii) are fully risk averse or requiring a fully guaranteed income, capital protection or a fully predictable return profile (the "**Target Market Assessment**").

The Target Market Assessment does not affect the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. The Target Market Assessment is not to be considered as (a) a suitability or appropriateness assessment pursuant to MIFID II; or (b) a recommendation to any investor or group of investors to invest in, acquire, or take any other action in respect of the shares in the Company. Each distributor is responsible for its own assessment of the target market for the shares in the Company and for determining the appropriate distribution channels.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise expressly stated herein, no financial information in the Offering Circular has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Offering Circular and that is not a part of the information that has been audited or reviewed by the Company's auditor in accordance with what is stated herein, has been collected from the Company's internal accounting and reporting system.

All financial amounts are in Swedish kronor ("**SEK**"), unless indicated otherwise. The figures included in the Offering Circular have, in certain cases, been rounded off and, consequently, the tables contained in the Offering Circular do not necessarily add up.

FORWARD-LOOKING STATEMENTS

The Offering Circular contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Offering Circular concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly, assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the entire Offering Circular, including the following sections: "**Summary**", "**Risk factors**", "**Market overview**", "**Business overview**", "**Current earning capacity**" and "**Operating and financial overview**", which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which it operates. None of the Company, the Selling Shareholder or any of the Managers can give any assurance regarding the future accuracy of the opinions set forth in the Offering Circular or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Offering Circular may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Offering Circular may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or environmental damages as well as such risks which are described in the section "**Risk factors**".

All information in the Offering Circular, including forward-looking information, is made on the basis of information available to the Company as at the date of the Offering Circular, unless explicitly stated otherwise.

After the date of the Offering Circular, none of the Company, the Selling Shareholder or any of the Managers assume any obligation, except as required by law or Nasdaq First North Growth Market – Rulebook, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

BUSINESS AND MARKET DATA

The Offering Circular includes industry and market data pertaining to Sveafastigheter's business and markets. Such information is based on the Company's analysis of multiple sources, including JLL and Colliers.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Offering Circular that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Information provided by third parties has been accurately reproduced and, as far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CERTIFIED ADVISER

The Company has engaged FNCA Sweden AB ("**FNCA**") as its Certified Adviser. FNCA does not own any shares in the Company.

Content



| | |
|--|-----|
| Summary | 2 |
| Risk factors | 9 |
| Invitation to acquire shares in Sveafastigheter | 25 |
| Background and reasons | 26 |
| Terms and conditions | 28 |
| Pro forma financial statements | 37 |
| Market overview | 50 |
| Business overview | 62 |
| Valuation reports | 95 |
| Current earning capacity | 107 |
| Selected financial information | 112 |
| Operational and financial overview | 122 |
| Capitalization, indebtedness and other financial information | 138 |
| Board of Directors, Executive Management and auditor | 140 |
| Corporate governance | 145 |
| Share capital and ownership structure | 149 |
| Articles of association | 152 |
| Legal considerations and supplementary information | 153 |
| Certain U.S. Federal Income Tax Considerations | 159 |
| Selling restrictions and transfer restrictions | 164 |
| Definitions and glossary | 167 |
| Historical financial information | F-1 |
| Addresses | A-1 |

Summary of the Offering

Price range

SEK 39.5 – 45.5 per share

Application period for the general public in Sweden

October 8, 2024 – October 16, 2024

Application period for the institutional investors in Sweden and abroad

October 8, 2024 – October 17, 2024

Application period for existing shareholders in SBB on the record date September 27, 2024

October 8, 2024 – October 16, 2024

Publication of the offering price

On or about October 18, 2024

First day of trading in the Sveafastigheter share

October 18, 2024

Settlement date

October 22, 2024

Other information

Short name (ticker): SVEAF

ISIN code: SE0022243812

Financial calendar

Interim report for the period

January – September 2024, Q3 November 27, 2024

Year-end report for the period

January – December 2024 February 21, 2025

Some definitions

| | |
|---|---|
| Euroclear Sweden | Euroclear Sweden AB. |
| Joint Global Coordinators | DNB Bank ASA, Sweden branch ("DNB") and Skandinaviska Enskilda Banken AB ("SEB"). |
| Managers or Joint Bookrunners | the Joint Global Coordinators and Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank"), Nordea Bank Abp, filial i Sverige ("Nordea") and Swedbank AB (publ) ("Swedbank"). |
| Nasdaq First North Premier Growth Market | Nasdaq First North Premier Growth Market, an alternative marketplace operated by the various exchanges in Nasdaq. |
| SBB or Samhällsbyggnadsbolaget i Norden AB | Samhällsbyggnadsbolaget i Norden AB (publ), Reg. No. 556981-7660, the parent company of the Selling Shareholder and the Company. |
| SEK | Swedish krona. |
| Selling Shareholder | SBB i Norden AB, Reg. No. 559053-5174, a wholly owned subsidiary to Samhällsbyggnadsbolaget i Norden AB (publ). |
| Sveafastigheter, the Company or the Group | Sveafastigheter AB (publ), the group in which Sveafastigheter is the parent company or a subsidiary of the group, depending on the context. |



Summary

Introduction and warnings

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|---|---|
| Introduction and warnings | <p>This summary should be read as an introduction to this Offering Circular. Any decision to invest in the securities should be based on an assessment of the Offering Circular in its entirety by the investor. The investor may lose all or part of the invested capital.</p> <p>Where statements in respect of information contained in an Offering Circular are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Offering Circular before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with other parts of the Offering Circular or if it does not, together with other parts of the Offering Circular, provide key information to help investors when considering whether to invest in the securities.</p> |
| The Issuer | <p>Sveafastigheter AB (publ), Reg. No. 559449-4329, Olof Palmes gata 13A, SE-111 37 Stockholm, Sweden. Telephone number: +46 (0)200-22 72 00. LEI code: 636700W1VM8602G2AA36 Ticker: SVEAF ISIN code: SE0022243812</p> |
| Information on the selling shareholder | <p>SBB i Norden AB, Reg. No. 559053-5174 (the "Selling Shareholder"), Newsec Property Asset Management AB Box 11405, SE-404 29 Göteborg, Sweden. Telephone number: +46 (0)20- 24 42 00. LEI Code: 549300IDXCK67VMBRX06</p> |
| Competent Authority | <p>Finansinspektionen is the Swedish Financial Supervisory Authority (the "SFSA") and the competent authority responsible for approving the Swedish language version of the Offering Circular (the "Swedish Prospectus"). The SFSA's visiting address: Brunnsgatan 3, SE-111 38 Stockholm, Sweden. The SFSA's postal address: Box 7821, SE-103 97 Stockholm, Sweden. E-mail: finansinspektionen@fi.se Telephone: +46 (0)8 408 980 00 Website: www.fi.se The Swedish Prospectus was approved by the SFSA on October 7, 2024.</p> |

Key information on the issuer

Who is the issuer of the securities?

| | |
|---|---|
| Registered office and legal form of the issuer | <p>Issuer of the securities is Sveafastigheter AB (publ), Reg. No. 559449-4329. The Company's registered office is in Stockholm, Sweden. The Company is a Swedish public limited liability company founded in Sweden under Swedish law, incorporated in Sweden and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI code is 636700W1VM8602G2AA36.</p> |
| The issuer's principal activities | <p>Sveafastigheter is a real estate company that owns, actively manages and builds residential properties throughout Sweden with a focus on selected growth regions. The property portfolio consists of standing assets, ongoing construction and project development, focused on rental apartments with historically stable and predictable rental income. As of June 30, 2024, the Company had a property value, including standing assets and new constructions (book value), that corresponded to SEK 27.5 billion, 3.1 times larger than the median listed market in Sweden, which have been calculated using the value of residential properties.</p> |
| Major shareholders | <p>As of the date of this Offering Circular, SBB i Norden AB holds all shares and votes in Sveafastigheter. As of the date of the Offering Circular and as far as the Company is aware, the Company is not directly or indirectly controlled by any party other than SBB i Norden AB.</p> |



| | |
|-------------------------------|---|
| Key managing directors | The Company's Board of Directors consists of Peter Wågström, Per O Dahlstedt, Sanja Batljan, Jenny Wärme, Christer Nerlich and Peder Johnson. The Company's Executive Management consists of Erik Hävermark, Martina Lous-Christensen, Ola Svensson, Görel Hällqvist and Lovisa Sörensson. |
| Auditor | Ernst & Young AB, with Jonas Svensson as auditor in charge. |

What is the key financial information regarding the issuer?

| Key financial information in summary | Selected income statement figures | Financial year ended December 31 | | | Six-month period ended June 30 | |
|--------------------------------------|--------------------------------------|----------------------------------|--------|-------|--------------------------------|--------|
| | | Audited | | | Unaudited | |
| | | 2023 | 2022 | 2021 | 2024 | 2023 |
| | SEK million, unless otherwise stated | | | | | |
| | Rental income | 1,126 | 1,002 | 628 | 652 | 542 |
| | Operating income | -4,225 | -2,341 | 8,374 | -839 | -3,038 |
| | Profit/loss for the period | -4,384 | -2,827 | 8,535 | -1,042 | -3,206 |
| | Surplus ratio, % ¹⁾ | 61 | 59 | 56 | 60 | 58 |

1) Surplus ratio is an unaudited alternative performance measure (non-IFRS measure).

| Key financial information in summary | Selected balance sheet figures | Financial year ended December 31 | | | Six-month period ended June 30 | |
|--------------------------------------|--------------------------------|----------------------------------|--------|--------|--------------------------------|--------|
| | | Audited | | | Unaudited | |
| | | 2023 | 2022 | 2021 | 2024 | 2023 |
| | SEK million | | | | | |
| | Assets | 31,526 | 36,552 | 33,691 | 29,060 | 34,002 |
| | Equity | 13,205 | 15,047 | 16,220 | 14,594 | 11,414 |

| Key financial information in summary | Selected cash flow figures | Financial year ended December 31 | | | Six-month period ended June 30 | |
|--------------------------------------|---|----------------------------------|--------|--------|--------------------------------|--------|
| | | Audited | | | Unaudited | |
| | | 2023 | 2022 | 2021 | 2024 | 2023 |
| | SEK million | | | | | |
| | Cash flow from operating activities before changes in working capital | 23 | 170 | 217 | 90 | 12 |
| | Cash flow from operating activities | -209 | 10 | 496 | 298 | -419 |
| | Cash flow from investing activities | -2,228 | -3,076 | -6,748 | -496 | -1,554 |
| | Cash flow from financing activities | -160 | 3,075 | 9,116 | 800 | 2,165 |

| | |
|-----------------------------|---|
| Pro forma accounting | <p>Purpose of the pro forma financial statements</p> <p>On May 30, 2024, it was announced that SBB had agreed with Kåpan Tjänstepension, Reg. No. 816400-4114 ("Kåpan Pension") to divide the jointly owned residential company Hemvist Förvaltning AB (formerly SBB Kåpan Bostad AB), of which the parties each owned 50 percent. Subsequently, on June 14, 2024, it was announced that the transaction was completed. The part of Hemvist Förvaltning AB, Reg. No. 559305-4934 ("Hemvist") that SBB took over and which is now a part of Sveafastigheter, consists of a number of companies that previously was part of the Hemvist group (the "Hemvist Companies").</p> <p>The purpose of the pro forma financial statements is to present the hypothetical impact that the Hemvist transaction could have had on Sveafastigheter's:</p> <ul style="list-style-type: none"> ▶ Combined income statement for the full year 2023, if the transaction was completed on January 1, 2023, and ▶ Consolidated income statement for the six-month period ended June 30, 2024, if the transaction was completed on January 1, 2023. |
|-----------------------------|---|

**Pro forma accounting, cont.****The basis of the pro forma financial statements**

The unaudited pro forma information in this Offering Circular has been prepared in accordance with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

The pro forma income statement for the financial year 2023 is based on:

- ▶ Sveafastigheter's audited income statement for 2023, which is derived from Sveafastigheter's audited combined income statement for the financial year 2023,
- ▶ The Hemvist Companies' audited income statements for 2023, which have been derived from the Hemvist Companies' respective annual reports for the financial year 2023.

The pro forma income statement for the interim period January 1 – June 30, 2024 is based on:

- ▶ Sveafastigheter's unaudited consolidated income statement for the interim period January 1 – June 30, 2024, which is derived from Sveafastigheter's unaudited consolidated income statement for the financial period January 1 – June 30, 2024,
- ▶ The Hemvist Companies' unaudited income statements for the interim period from January 1 – June 30, 2024, as derived from the respective accounting systems of the Hemvist Companies for the financial period from January 1 – June 30, 2024.

Sveafastigheter's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the Swedish Annual Accounts Act (1995:1554) (Sw. *årsredovisningslagen*) and RFR 1 – Supplementary Accounting Rules for groups have been applied. The pro forma financial statements have been prepared in accordance with Sveafastigheter's accounting principles. In connection with the pro forma financial statements, an analysis of the application of the accounting principles has been carried out. The differences primarily relate to the accounting of investment properties.

Selected income statement figures from the pro forma financial statements

| SEK million, unless otherwise stated | Financial year ended December 31, 2023 | | Six-month period ended June 30, 2024 | |
|--|---|-----------|---|-----------|
| | Sveafastigheter | Pro forma | Sveafastigheter | Pro forma |
| Net operating result | 685 | 754 | 392 | 430 |
| Operating income | -4,225 | -4,465 | -839 | -745 |
| Profit/loss for the period attributable to the shareholders of the parent entity | -4,384 | -4,344 | -1,042 | -1,085 |

What are the key risks that are specific to the issuer?**Material risk factors specific to the issuer**

Material risk factors attributable to the issuer consist of the following:

- ▶ Interest rates have a particularly significant influence on the Group, as they affect the overall demand for real estate, the Group's financing cost and the value of the Group's properties. As a result of the rapid interest rate increases in Sweden, the Group's interest expenses for the financial year ended December 31, 2023 increased to SEK -464 million, compared to SEK -319 million for the corresponding period in 2022 and SEK -107 million for the corresponding period in 2021. Although inflation levels have come down and central bank rates appear to have stabilized and/or be subject to reductions, it cannot be ruled out that interest rates stay at higher levels for extended periods of time or increase. If Sveafastigheter does not succeed in fully compensating for rising interest rates and inflation by increasing its rent levels it may have an adverse effect on the Group's results of operations. The recent increasing in interest rates has also had a negative impact on valuations of residential properties in Sweden and may cause demand for residential properties to decrease.



Material risk factors specific to the issuer, cont.

- ▶ Sveafastigheter's properties are located in different regions in Sweden, such as Stockholm-Mälardalen, university cities, Malmö-Öresund and Greater Gothenburg. Both between and within these regions, regional variations and trends can lead to significant differences in the real estate and rental markets in terms of economic conditions, supply and demand levels and returns on real estate investments as well as demographic trends. If, for example, the income growth in any of Sveafastigheter's regions decreases significantly due to local economic conditions, demand for rental apartments and the total rent levels in that region could decrease. Sveafastigheter further intends to focus its operations on the Stockholm-Mälardalen region. If the economic development develops unfavorably in any of Sveafastigheter's regions, and in particular Stockholm-Mälardalen, it may have an adverse effect on the Group's rental income as well as its overall business, financial position and results of operations.
- ▶ Sveafastigheter's properties are reported at fair value on Sveafastigheter's balance sheet with unrealized changes in value reported on the income statement. Sveafastigheter reports its property holdings at fair value in accordance with Sveafastigheter's accounting and valuation principles. Property valuations represent the opinion of the independent valuer and the assumptions underlying the reports are tested as is customary. Property valuations are by their nature subjective and are based on a number of assumptions that may not prove to be accurate. If the assumptions underlying the valuation of properties prove to be incorrect and/or if the Company were to be unable to divest its properties at their reported fair value, this could have a material adverse effect on the Company's financial position, profitability and the overall valuation of the Group.
- ▶ Sveafastigheter is exposed to risks related to its ability to sell parts of its property portfolio. Sveafastigheter may need to liquidate parts of its portfolio on short notice for any reason, such as to raise working capital or to repay outstanding debt, and there is a risk that Sveafastigheter in such a situation may not be able to sell any portion of its property portfolio on favourable terms or at all. In an urgent sale or a sale during a market downturn, there may arise a significant shortfall between the sales price for the property or property portfolio and the price at which Sveafastigheter would normally have received when selling such property or property portfolio, which could have a material adverse effect on Sveafastigheter's financial position and results of operations.
- ▶ The Group has adopted a number of financial and operational targets. There is a risk that the Group may fail to achieve the Group's forecasts and targets, or expectations in respect to its financial and operational targets. The Group's ability to carry out project pursuant to its financial and operational targets will depend on a number of factors, including its relationships with municipalities and the Group's ability to identify suitable acquisition targets and obtain necessary financing. If the Group's relationships with municipalities change in such a way that, for example, the Group is no longer able to implement its property projects or if the necessary financing cannot be obtained or on terms acceptable to the Group, the Group risks not to achieve its operating and financial targets, which could have a material adverse effect on the Group's business and operating profit.
- ▶ As the Swedish residential rental market is regulated, Sveafastigheter is not able to raise its rent levels for its properties at its own discretion, and the Group's rent levels are only increased annually, with the exception of upgrades, other investments that add value-of-use to the apartment or the property and/or value-of-use-tests completed during the year. While increased property owners' expenses, such as increases in interest rates, may be considered in the calculation of value-of-use rents, the calculation is based on a totality of factors, and Sveafastigheter alone does not have the ability to unilaterally raise rents. Accordingly, should Sveafastigheter's expenses increase during any given year, the Group may not be able to compensate for such increased expenses by correspondingly increasing its rent levels.
- ▶ Sveafastigheter's rental income and profitability are affected by its economic occupancy rate. Although the Swedish residential property market has historically been characterized by a shortage of housing and low vacancy levels, there can be no assurances that Sveafastigheter will be able to maintain or increase its economic occupancy rate at historical levels in the future. The economic occupancy rate is affected by several factors, including rent levels, tenant turnover, the level of housing supply, housing demand in any given local area, as well as standard of the properties and the level of marketing for available apartments. If Sveafastigheter's economic occupancy rate were to decrease, its total revenue would decrease, while its maintenance and financing costs would remain relatively constant, thereby adversely affecting its profitability.

**Material risk factors specific to the issuer, cont.**

- ▶ Sveafastigheter's ability to carry out financially profitable property development projects is dependent on a number of factors, such as its ability to procure construction contracts for the implementation of the projects on terms acceptable to the Group, sourcing attractive projects and financing of projects (including whether creditors allow final placement of any building credits), whether the projects sufficiently meet market demand, whether demand or rents in general change, lack of planning, analysis and cost control, the financial standing of the contractors and suppliers it uses, incorrect assumptions regarding soil contamination, technical deficiencies in constructions (such as hidden faults), changes in taxes and fees as well as macroeconomic factors. If Sveafastigheter is unable to carry out property development projects in a financially profitable manner or if the Group makes incorrect assumptions related to its property development projects, it could have a material adverse effect on the Group's business, results of operations and financial position.
- ▶ Following the listing, Sveafastigheter's financing arrangements will consist of bank loan of SEK 10,176 million (with an unutilized credit facility of SEK 1,000 million)¹⁾ as well as issued senior unsecured bonds. The financing arrangements contain financial covenants (including covenants about interest coverage ratio and loan-to-value ratio) that, in unfavourable market conditions, could have particularly negative consequences for the Group. For example, if Sveafastigheter or other companies in the Group would be in breach of one or more financial or other covenants in a financing agreement, this could lead to the financing becoming due for immediate repayment ahead of schedule, or that collateral is realised. If a financing becomes due for immediate repayment ahead of schedule it may, in accordance with cross default provisions, result in other obligations becoming due for repayment ahead of schedule as well. Cancellation of one or more financing raised by the Company or other companies in the Group, or realisation of pledged collateral, could have a material adverse effect on Sveafastigheter's liquidity, financial position, profit and prospects. Furthermore, the Group is dependent on being able to obtain new financing when existing debt falls due. Sveafastigheter's ability to obtain such financing depends on its business, prospects and market conditions.
- ▶ The Group may fail to comply with applicable regulations and risk being involved in legal and administrative proceedings. It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceedings or claims and if the outcome of any ongoing or future legal or administrative proceeding turns out to be negative for the Group, this could have a material adverse effect on the Group's financial position and operating profit. As an example, the Swedish Tax Agency has initiated a written proceeding regarding tax deductions made by one of the Company's subsidiaries in respect of costs attributable to repair and maintenance. Furthermore, the Company has applied to register (i) the figurative trademark comprising the Company's logotype and the word "SVEAFASTIGHETER" and (ii) the wordmark "SVEAFASTIGHETER" with the European Union Intellectual Property Office, however, an external party has formally opposed to this application. The Group may become involved in additional disputes or claims. Such disputes may involve, among other things, contractual issues, warranty claims, construction-related issues, environmental issues and intellectual property rights. The conduct of litigation may result in, among other things, costs associated with settlements and awards of damages and other liabilities that may be imposed on the Group. A dispute that is lost or otherwise protracted could result in significant costs for the Group and disrupt normal operations. The consequences of these risks are that it could have a material adverse effect on the Group's business, profit or financial position.
- ▶ Sveafastigheter's historical financial information as well as the pro forma financial statements and the stand-alone adjustments in the Offering Circular do not necessarily provide a fair and complete picture of Sveafastigheter's results of operations and financial position had Sveafastigheter been operated as a stand-alone company and should not be used as a basis for conclusions about Sveafastigheter's future financial position and performance.

¹⁾ Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.

Key information on the securities**Main characteristics of the securities**

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|--|---|
| Securities offered | Shares in Sveafastigheter. ISIN code: SE0022243812 The securities are denominated in SEK Each share has a quota value of SEK 0.0025 |
| Total number of shares in the Company | As of the date of this Offering Circular, there are 200,000,000 shares issued. |



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|---|--|
| Rights associated with the securities | <p>Each share in the Company entitles the holder to one vote at General Meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. The shares carry the right to payment of dividend for the first time on the record date for distribution which falls immediately after the listing.</p> <p>All shares in the Company give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.</p> <p>The rights associated with the shares issued by the Company, including those pursuant to the Articles of Association, can only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).</p> |
| Restrictions on the free transferability | The shares are not subject to any restrictions on transferability. |
| Dividend and dividend policy | The Company's overarching goal is to create long-term value for its shareholders. This is achieved by reinvesting in the business to drive further growth and economies of scale through investments in properties and new construction. As a result, there will be no dividend for 2024 and the dividend will be low or none in the coming years. |

Where will the securities be traded?

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|-----------------------------|---|
| Admission to trading | The shares offered will be admitted to trading on Nasdaq First North Premier Growth Market on October 18, 2024. |
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What are the key risks that are specific to the securities?

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| Material risk factors specific to the securities | <p>Material risk factors specific to the securities include the following:</p> <ul style="list-style-type: none"> ▶ An active, liquid and functioning market for trading in Sveafastigheter's shares may not develop, the price of the shares may be volatile and potential investors may lose some or all of their investment. ▶ The price of the Company's shares may fall if extensive sales of the Company's share occur, in particular sales by the Company's board members, Executive Management and significant shareholders or when a large number of shares are sold. ▶ The Selling Shareholder will continue to have significant influence over Sveafastigheter and this may limit the ability of new shareholders to influence company matters, including choice of board members, any mergers, consolidations or sales of all, or significant parts, of Sveafastigheter's assets. ▶ Companies listed on Nasdaq First North Premier Growth Market are subject to a less extensive set of rules and regulations compared to companies listed on regulated markets. For instance, a company whose shares are to be listed on Nasdaq First North Premier Growth Market is not obliged to appoint an exchange auditor to review the listing entity and such companies are furthermore not subject to the same stringent disclosure requirements. The risk in investing in a company on Nasdaq First North Growth Market may therefore be higher than investing in a company that is listed on a regulated market. |
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Key information on the offer of securities to the public

Under which conditions and timetable can I invest in this security?

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|--------------------------------------|--|
| Offering forms and conditions | <p>The Offering</p> <p>The offer includes a maximum of 76,521,740 existing shares. The offer is divided into two parts:</p> <ul style="list-style-type: none"> ▶ The offer to the public in Sweden¹⁾. ▶ The offer to institutional investors in Sweden and abroad²⁾. <p>Furthermore, existing shareholders in SBB on the record date September 27, 2024 will be given priority to acquire shares in the Offering (the "SBB Priority Tranche"), subject to restrictions that may arise from applicable securities laws.</p> |
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1) The public includes private individuals and legal entities who register to acquire a maximum of 28,800 shares.

2) Institutional investors are individuals and legal entities that apply to acquire more than 28,800 shares.



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| Offering forms and conditions, cont. | <p>The Selling Shareholder will also issue an option to the Managers, which can be utilized in whole or in part by the Managers, that during 30 days from the first day of trading in the shares on Nasdaq First North Premier Growth Market, to acquire additional 11,478,260 existing shares from the Selling Shareholder, equal to 15 percent of the maximum total number of shares encompassed by the Offering, at the Offering Price, to cover any overallotment in connection with the Offering (the “Overallotment Option”).</p> <p>Price range SEK 39.5–45.5 per share.</p> <p>Allotment Decision on allotment of shares in the Offering will be made by the Selling Shareholder in consultation with the Joint Global Coordinators, whereby the target is to achieve a strong institutional ownership base and a broad distribution of the shares among the general public in order to enable a regular and liquid trading in the shares on Nasdaq First North Premier Growth Market.</p> |
| Expected timetable for the Offering | <p>Application period for the general public: October 8, 2024 – October 16, 2024</p> <p>Application period for institutional investors: October 8, 2024 – October 17, 2024</p> <p>Application period for the SBB Priority Tranche: October 8, 2024 – October 16, 2024</p> <p>First day of trading in the Company’s shares: on October 18, 2024</p> <p>Settlement date: October 22, 2024</p> |
| Admission to trading | <p>The shares in the Company are planned to be admitted to trading on Nasdaq First North Premier Growth Market on October 18, 2024.</p> |
| Offering costs | <p>Sveafastigheter’s costs associated with the Offering are expected to amount to approximately SEK 65 million.</p> |
| Costs imposed on investors | <p>Brokerage commission will not be charged.</p> |

Who is the offeror and/or the person applying for admission to trading?

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| The offeror of the securities | <p>The offeror of the securities is SBB i Norden AB, Reg. No. 559053-5174, with its registered office in Stockholm. SBB i Norden AB is a Swedish limited liability company, founded and incorporated in Sweden in accordance with Swedish law. Operations are conducted in accordance with Swedish law. The Company’s form of association is governed by the Swedish Companies Act (2005:551). The company’s LEI code is 549300IDXCCK67VMBRX06.</p> |
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Why is this offering circular being produced?

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| Background and reasons | <p>The Offering and the listing will expand the Company’s shareholder base and enable Sveafastigheter to access the Swedish and international capital markets, which will support the Company’s continued growth and development. Additionally, Sveafastigheter believes that the Offering will enable the Company to access more attractive financing on a stand-alone basis. The Board of Directors and Executive Management of Sveafastigheter, supported by the Selling Shareholder, consider the Offering and listing of the Company’s shares to be a logical and important step in Sveafastigheter’s development, which will also increase the awareness of Sveafastigheter and its operations among current and potential customers and suppliers. For these reasons, the Board of Directors has applied for listing on Nasdaq First North Premier Growth Market.</p> |
| Conflicts of interest | <p>The Managers provide financial advisory and other services to the Company and the Selling Shareholder in connection with the Offering, for which the Managers will receive a customary remuneration. The Managers have in the course of business, from time to time, provided, and may in the future provide, various banking, financial, investment, lending, commercial and other services to the Company and the Selling Shareholder.</p> <p>Advokatfirman Vinge KB and Milbank LLP have been legal counsels to the Company in connection with the Offering and may provide additional legal services to the Company.</p> |

Risk factors



This section contains the risk factors and significant circumstances considered to be material to Sveafastigheter's business and future development. The risk factors relate to Sveafastigheter's business, industry and markets, and further include operational risks, legal risks, regulatory risks, financial risks as well as risk factors related to the securities. The assessment of the materiality of each risk factor is based on the probability of its occurrence and the expected magnitude of its adverse effect. In accordance with the Regulation (EU) 2017/1129 (the "Prospectus Regulation"), the risk factors mentioned below are limited to risks which are specific to the Company and/or to the securities and which are material for taking an informed investment decision.

The description below is based on information available as of the date of the Offering Circular. 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 Sveafastigheter's business, financial position and/or results of operations. They could also cause the value of the Company's shares to decrease, which could result in shareholders in the Company losing all or part of their invested capital.

Risks related to Sveafastigheter's industry and market

Sveafastigheter is subject to risks related to interest rates

Interest rates have a particularly significant influence on the Group, as they affect the overall demand for real estate, the Group's financing cost and the value of the Group's properties. For example, in 2022 and 2023, inflation increased in many countries globally, including Sweden, which led to a significant increase in central bank interest rates following a period of low or negative interest rates in Sweden. During the same period, the Swedish Riksbank increased its policy rate from 0.00 percent in the beginning of 2022 to 4.00 percent by the end of 2023.¹⁾ As a result of the rapid interest rate increases in Sweden, the Group's interest expenses for the financial year ended December 31, 2023 increased to SEK –464 million, compared to SEK –319 million for the corresponding period in 2022 and SEK –107 million for the corresponding period in 2021.²⁾ In 2024, however, the Swedish Riksbank has deviated from its previous course of policy rate increases by lowering the policy rate to 3.25 percent.³⁾ Although inflation levels have come down and central bank rates appear to have stabilized and/or be subject to reductions, it cannot be ruled out that interest

rates stay at higher levels for extended periods of time or increase. In addition, the Group has a particular exposure to rising interest rates and inflation as its property portfolio consists entirely of residential properties⁴⁾ for which, except for certain of the Company's commercial premises⁵⁾, rent-setting mechanisms are regulated by law and negotiated with the Swedish Tenants Association (Sw. *Hyresgästföreningen*) annually. The general rent-setting mechanism (called the 'value-of-use' method, see further section "Market overview – Introduction – The Swedish rent regulation for apartments") for determining rent levels in Sweden typically takes factors such as consumer price index and increased property owners' interest expenses into account, but the rent level determination is based on a totality of factors and, though the Company has not experienced this historically over longer time periods, there is no guarantee that the aforementioned factors will be fully accounted for (or at all) in any of the Company's future rent negotiations. As an illustration, historically, in Sveafastigheter's recent experience during the high inflationary period over the past few years, rent increases in Sweden tend to lag behind consumer price index.⁶⁾ If Sveafastigheter does not succeed in fully compensating for rising interest rates and inflation by increasing its rent levels it may have an adverse effect on the Group's results of operations.

1) The Swedish Riksbank, <https://www.riksbank.se/sv/statistik/rantor-och-valutakurser/styrranta-in--och-utlaningsranta/>.

2) The numbers reflected as the Group's interest expenses historically are however based on combined financial statements, see further section "– Risks related to the separation of Sveafastigheter from SBB – Sveafastigheter's historical financial information as well as the pro forma financial statements and the stand-alone adjustments in the Offering Circular do not necessarily provide a true and complete picture of Sveafastigheter as of the date of the Offering Circular".

3) The Swedish Riksbank, <https://www.riksbank.se/sv/statistik/rantor-och-valutakurser/styrranta-in--och-utlaningsranta/>.

4) Defined as properties with more than 50 percent of rental value from residential properties.

5) Amounting to approximately 8 percent of the Company's total rental income.

6) Statistics Sweden, statistical database from 1969 up until 2023.



The recent increase in interest rates has also had a negative impact on valuations of residential properties in Sweden and may require Sveafastigheter to recognize losses due to market value adjustments. Such losses would result in a corresponding decrease in the value of Sveafastigheter's properties as recognized on its balance sheet and increase Sveafastigheter's loan-to-value ratio. Further, increases in interest rates generally may cause investor demand for residential properties to decrease and could also have an adverse effect on the ability of potential buyers to finance property acquisitions in the event that Sveafastigheter were to sell a property. An increase in interest rate levels could also lead to a breach of financial covenants in the Group's financing agreements, which in turn could lead to Sveafastigheter being required to repay loans prematurely (see further section "*– Risks related to Sveafastigheter's financing arrangements – Sveafastigheter's operations are partly financed by incurring debt, which entails certain risks, including risks related to financial covenants and refinancing risks*").

The materialization of any of these risks could have a material adverse effect on Sveafastigheter's business, financial position and/or results of operations.

Sveafastigheter's profit and profitability are subject to risks related to regional variations in Sveafastigheter's real estate portfolio and demographic trends in Sveafastigheter's markets

Sveafastigheter's properties are located in different regions in Sweden, such as Stockholm-Mälardalen, university cities, Malmö-Öresund and Greater Gothenburg. Both between and within these regions, regional variations and trends can lead to significant differences in the real estate and rental markets in terms of economic conditions, supply and demand levels and returns on real estate investments as well as demographic trends. During 2012–2022, the income growth in the regions where Sveafastigheter's properties are located amounted to 34.8¹⁾ percent (compared to the Sweden average of 34.9 percent) and during 2020–2023 the employment growth in the same regions amounted to 1.8²⁾ percentage points (compared to the Sweden average of 1.6 percentage points). Furthermore, during 2013–2023, the population growth in Sveafastigheter's regions amounted to 11.6³⁾ percent (compared to the Sweden average of 9.6 percent). However, there can be no assurances that the economy or the demographic trends will continue to develop favorably in Sveafastigheter's regions. If, for example, the income growth in any of Sveafastigheter's regions decreases significantly due to local economic conditions, such as a decline in job opportunities in or in proximity to a specific region, or if the infrastructure of the

regions would change, for example in relation to commuting opportunities, demand for rental apartments and the total rent levels in that region could decrease.

Furthermore, approximately 85 percent of Sveafastigheter's new construction portfolio⁴⁾ was located in the Stockholm-Mälardalen region as of June 30, 2024 and, as such, the region is expected over time to become the Group's main region in terms of property value, increasing the geographical focus of Sveafastigheter's property portfolio and, consequently the exposure to any developments in the Stockholm-Mälardalen region. Sveafastigheter may not be able to react in a timely manner to adverse developments in one or more of its focus regions, and the municipalities' real estate markets may be more illiquid than other municipalities' real estate markets, resulting in difficulties for conducting property sales (see further section "*Sveafastigheter is exposed to the risk that it may be unable to sell any portion of its total portfolio on favourable terms or at all*"). This could result in a situation where Sveafastigheter has a large property portfolio in, and significant investments tied to, regions where economic conditions could develop unfavorably, which could then affect the Group's occupancy rates and rent levels, and, in turn, adversely affect the Group's rental income as well as its overall business, financial position and results of operations.

Property valuations are to a certain extent subjective and may incorrectly assess the values of Sveafastigheter's properties

Sveafastigheter's properties are reported at fair value on Sveafastigheter's balance sheet with unrealized changes in value reported on the income statement. Sveafastigheter reports its property holdings at fair value in accordance with Sveafastigheter's accounting and valuation principles. Furthermore, valuation reports concerning the Company's property portfolio have been incorporated into the Offering Circular comprising the Group's complete and full property portfolio as of June 30, 2024.

Property valuations represent the opinion of the independent valuer and the assumptions underlying the reports are tested as is customary. Property valuations are by their nature subjective and are based on a number of assumptions that may not prove to be accurate. Such assumptions include property specific assumptions regarding rent levels¹⁾, occupancy rates, operating expenses, environmental liabilities in relation to building rights as well as market specific assumptions regarding macroeconomic developments, general economic trends, regional economic development, employment rates, salary levels, production rates of new construction, changes in infrastructure and inflation and interest rates in Sweden. It is possible that the valuations do not accu-

- 1) Statistics Sweden, statistical database. The average income growth rate has been calculated by weighting the income growth in the cities where Sveafastigheter's properties are located, in relation to the assessed total value of Sveafastigheter's properties in the respective cities.
- 2) Statistics Sweden, statistical database. The average employment growth rate has been calculated by weighting the employment growth in the cities where Sveafastigheter's properties are located, in relation to the assessed total value of Sveafastigheter's properties in the respective cities. The calculation is based on the BAS system that was implemented in 2020.
- 3) Statistics Sweden, statistical database. The average population growth rate has been calculated by weighting the population growth in the cities where Sveafastigheter's properties are located, in relation to the assessed total value of Sveafastigheter's properties in the respective cities.
- 4) Excluding condominiums.



rately represent the value of the Group's properties or reflect the prices at which the properties can be disposed. Moreover, the valuation methods that are currently generally accepted and that were used for the purpose of developing valuation reports of the Group's portfolio may in hindsight be determined to be unsuitable. It cannot be excluded that the underlying assumptions in past or future valuations of the properties may prove to be incorrect. The uncertainty range for individual properties is normally within an interval +/- 5–10 percent, and should be seen as a measure of the uncertainty in the assumptions made. In a less liquid market, however, the range may be greater. As an example, for the Company, an uncertainty interval of +/- 5 percent translates to a value interval of +/- SEK 1,215 million, corresponding to SEK 23,085–25,515 million in relation to the Company's standing assets.

If the assumptions underlying the valuation of properties prove to be incorrect, and/or if the Company were to be unable to divest its properties at their reported fair value, this could have a material adverse effect on the Company's financial position, profitability and the overall valuation of the Group.

Sveafastigheter is exposed to the risk that it, when needed, may be unable to sell any portion of its total portfolio on favourable terms or at all

Sveafastigheter is exposed to risks related to its ability to sell parts of its property portfolio. Sveafastigheter may need to liquidate parts of its portfolio on short notice for any reason, such as to raise working capital or to repay outstanding debt, and there is a risk that Sveafastigheter in such a situation may not be able to sell any portion of its property portfolio on favourable terms or at all. In an urgent sale or a sale during a market downturn, there may arise a significant shortfall between the sales price for the property or property portfolio and the price at which Sveafastigheter would normally have received when selling such property or property portfolio. Such a difference could mean that the Group violates the terms of financing agreements entered into (see also section “– Risks related to Sveafastigheter's financing arrangements – Sveafastigheter's operations are partly financed by incurring debt, which entails certain risks, including risks related to financial covenants and refinancing risks”) and may have a material adverse effect on Sveafastigheter's financial position. A minor part of Sveafastigheter's property portfolio is located in municipalities whose real estate markets may be more illiquid than other municipalities' real estate markets. Sveafastigheter's ability to conduct a sale in a municipality with an illiquid real estate market may thus be more difficult, which may result in the price that Sveafastigheter receives for the property being lower than anticipated or that the property cannot be sold at all. In addition, Sveafastigheter may face further difficulty in disposing of its

properties due to covenants and pledges limiting asset disposals in Sveafastigheter's financing agreements. These restrictions could complicate or delay any proposed sale of properties.

Any of the abovementioned factors could lead to Sveafastigheter being forced to sell properties at a price lower than anticipated, which could have a material adverse effect on Sveafastigheter's financial position and results of operations.

Competition for residential properties and suitable building rights in attractive locations in Sweden is high and Sveafastigheter may fail to compete successfully for such properties and building rights

Sveafastigheter operates in the real estate sector and focuses on residential properties, which includes property management and new construction. There are other companies that compete for the same assets and properties as Sveafastigheter. The competition comes in particular from other real estate companies with a focus on residential properties such as Wallenstam AB (publ), K-Fast Holding AB (publ), Fastighets AB Balder (publ), Heimstaden AB (publ) (within listed real estate companies), Stena Fastigheter AB, Victoriahem AB, Einar Mattsson AB, Rikshem AB (publ) (within non-listed real estate companies) as well as public housing real estate companies that operate in the same regions as Sveafastigheter.

Vacancy rates for residential properties in Sweden have historically been, and continue to be, low²⁾ due to lack of housing and, hence, competition for new locations is high, including undeveloped land for new construction (e.g., through land allocations and acquisitions of building rights). Furthermore, a prerequisite for Sveafastigheter to be able to construct new buildings is to obtain building rights and land allocations suitable for Sveafastigheter, i.e., building rights that are attractive in terms of price in relation to the project's expected costs and established profitability requirements, as well as in relation to geographical location. The competition is particularly challenging in attractive locations, such as the Stockholm-Mälardalen region, due to high demand and limited availability. In relation to land allocation procedures, the developer that wins a land allocation normally has the exclusive right, for a certain period of time and under certain conditions, to negotiate with the municipality on the use of the land that has been allocated to the developer. In land allocation procedures and other municipal or private tenders that are announced, the Group normally competes with several other participants.

The Company's competitors for land allocations and building rights may have the ability to compete more effectively through, for example, greater financial resources than Sveafastigheter, better capacity to withstand market downturns and to tolerate lower yield requirements, better opportunities to obtain more attrac-

1) Based on the Group's actual rental flows and how the Group expects these to develop over time.

2) Statistics Sweden, statistical database. The data includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included.



tive financing and react more quickly to changes in local markets. If the Group is unable to compete successfully by, for example, not succeeding in acquiring building rights, or obtaining or extending land allocations on terms acceptable to the Group, it may adversely affect the Group's rent levels and vacancy rates and, ultimately, it could have a material adverse effect on the Group's business, profit and financial position.

Sveafastigheter may fail to attract tenants in relation to new construction developments

Due to historically low vacancy rates for residential properties in Sweden¹⁾, residential property companies generally do not compete for tenants. However, during new construction developments it is important for the Company to focus on the appeal of the property to prospective future tenants, which includes factors such as the size and quality of the apartment, location, access to public transportation and amenities and Sveafastigheter's reputation, to attract tenants in new residential developments. It may be difficult to attract tenants for new properties due to a number of reasons, including higher rent levels for new construction due to the possibility for the Company to implement so-called presumption rents during the first 15 years to, among other things, cover building costs (for further information on presumption rents and the Swedish regulated system, see section "Market overview – Introduction – The Swedish rent regulation for apartments") and potentially less developed public transportation and road infrastructure surrounding new residential areas. Moreover, essential services such as educational institutions – schools and kindergartens – may not be immediately available or still be in the process of being constructed. Even though Sveafastigheter may offer short-term discounts to potential tenants for new constructions to manage vacancies, such discounts may not be successful in attracting new tenants. Sveafastigheter's competitiveness further depends on Sveafastigheter's ability to anticipate changes and trends in the industry and quickly adapt to, for example, current and future market needs. If Sveafastigheter is unable to successfully attract tenants to its new construction developments, it may adversely affect economic occupancy rates and rental income from the new construction development, which in turn may affect the profitability of the development project, which could have a material adverse effect on the Group's business, financial position and results of operations.

Risks related to Sveafastigheter's operations

Sveafastigheter may fail to achieve its financial and operational targets

The Group has adopted a number of financial and operational targets including, among other things, that the surplus ratio shall exceed 70 percent within the next five

years, the growth in long-term net asset value ("NAV") shall, over a business cycle, annually amount to at least 12 percent per share, the loan-to-value ratio shall, over time, be between 40–50 percent, depending on prevailing market conditions, that the net debt to EBITDA ratio shall not exceed 15x and that the interest coverage ratio shall exceed 1.50x. In light of the contemplated separation from SBB as a result of the Offering (see further section "– Risks related to the separation of Sveafastigheter from SBB"), Sveafastigheter will work towards the adopted targets as an independent corporate entity, and will, in such a scenario, no longer be a part of the larger SBB group. There is a risk that the Group may fail to achieve the Group's forecasts and targets, or expectations in respect to its financial targets. There is also a risk that the Group will fail to successfully implement its intended strategic actions or achieve established operational targets or may not be able to realize all or part of the benefits expected from its current plans or other future initiatives. No assurance can be given that the implementation of the Group's strategy and/or the achievement of its financial or operational targets will be successful under current or future market conditions. The Group's approach may also be modified and altered from time to time. It is therefore possible that the approach adopted to implement its strategy and achieve its financial and operational targets in the future may be different from that presently expected to be used and disclosed in the Offering Circular.

In addition, the Group's ability to carry out projects pursuant to its operational targets, such as to commence construction of at least 600–800 apartments as well as to obtain land allocation agreements for new construction of at least 800 apartments annually during the coming 5 years, will depend on a number of factors, including its relationships with municipalities and the Group's ability to identify suitable acquisition of building rights and obtain necessary financing. If the Group's relationships with municipalities change in such a way that, for example, the Group is no longer able to implement its property projects or if the necessary financing cannot be obtained or on terms acceptable to the Group, the Group risks not to achieve its operational and financial targets. If the Group is unable to achieve its targets, this could have a material adverse effect on the Group's business and operating profit.

Sveafastigheter operates in a regulated market, which affects Sveafastigheters' ability to increase rents

The Swedish residential rental market is regulated, meaning that the rents for tenants do not follow market pricing. Rents are generally subject to annual negotiations with the Swedish Tenants Association (Sw. *Hyresgästföreningen*) and, generally, the value-of-use method (Sw. *bruksvärdesprincipen*) is applied to determine rent, meaning that the rent shall correspond to the assessed value-of-use of the apartment, which aims to ensure that

1) Statistics Sweden, statistical database. The data includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included.



rent levels do not increase too rapidly and remain at reasonable levels (for a detailed description on the Swedish rent regulation for apartments, see further section “*Market overview – Introduction – The Swedish rent regulation for apartments*”). Using the value-of-use method, rent levels are set based on an assessment that aims to determine how tenants value the characteristics of any such apartment, and hence, the subjective opinions and different needs of individuals do not affect the assessed value-of-use. The Swedish rent regulation entails that the rent levels can both be higher or lower than a household’s ability and willingness to pay for the corresponding residential unit in an unregulated market. Exceptions apply for new constructions, whereby the property owner may charge a higher rent (called “presumption rent”) than the comparable value-of-use assessed rent for the first 15 years of the life of a new premises, which functions to allow the given property owner to charge a higher rent to offset construction and/or investment costs for such new constructions.

Due to the regulated market, Sveafastigheter is not able to raise its rent levels for its properties at its own discretion, and the Group’s rent levels are only increased annually, with the exception of upgrades, other investments that add value-of-use to the apartment or the property and/or value-of-use-tests completed during the year (for more information on upgrades, see section “– *Sveafastigheter property upgrades may not be as successful as anticipated*”). While increased property owners’ expenses, such as increases in interest rates, may be considered in the calculation of value-of-use rents, the calculation is based on a totality of factors, and Sveafastigheter alone does not have the ability to unilaterally raise rents. Accordingly, should Sveafastigheter’s expenses increase during any given year, the Group may not be able to compensate for such increased expenses by correspondingly increasing its rent levels. This may be the case if, for example, the Group’s funding costs on existing or new loans increases due to rising market interest rates, or for any other reason, before rent increases which take into account the increase in markets interest rates is implemented for a substantial part of the Group’s properties (see further on the elements that typically sets the basis for the negotiations in section “*Market overview – Introduction – The Swedish rent regulation for apartments*”).

Furthermore, in relation to presumption rents for new constructions, when the initial 15 years have passed, and the property owner’s right to determine rent using the presumption rent method has lapsed, the rent for such property shall then subsequently be determined using the value-of-use method. However, as the system for presumption rents was first introduced in 2006 and subsequently amended in 2013, the application beyond the 15-year period is uncertain as there is a lack of established practice and precedent guiding how rents should be adjusted once the 15-year period ends when rents

should switch from the presumption rent method to the value-of-use method. Even though the intention is that the rent level using the presumption rent method shall be equal to the rent level using the value-of-use method at the end of the 15-year period, this could entail a rent reduction if the previously agreed presumption rent exceeds the rent of the apartment as assessed using the value-of-use method.

If one or more of the risks mentioned above were to materialize, it could have a material adverse effect on Sveafastigheter’s rental income and ability to meet its financial and operational targets.

Unfavorable developments affecting Sveafastigheter’s economic occupancy rate could reduce Sveafastigheter’s rental income and profitability

Sveafastigheter’s rental income and profitability are affected by its economic occupancy rate. Sveafastigheter’s economic occupancy has remained between 94.3 percent and 95.4 percent in 2021–2023, compared to the Swedish national average economic occupancy rate for residential apartments of 99¹⁾ percent. Although the Swedish residential property market has historically been characterized by a shortage of housing and low vacancy levels, there can be no assurances that Sveafastigheter will be able to maintain its economic occupancy rate at historical levels in the future or increase it. The economic occupancy rate is affected by several factors, including rent levels, tenant turnover, the level of housing supply, housing demand in any given local area, as well as standard of the properties and the level of marketing for available apartments. If Sveafastigheter’s economic occupancy rate were to decrease, its total revenue would decrease, while its maintenance and financing costs would remain relatively constant, thereby adversely affecting its profitability.

Sveafastigheter’s property management, among other things, aims to enhance Sveafastigheter’s focus on improving economic occupancy through marketing and various types of community involvement, however, such efforts to maintain and improve Sveafastigheter’s economic occupancy may be ineffective or prove to be an inefficient use of resources. Sveafastigheter’s economic occupancy rate is also affected by the Company’s ability to attract prospective tenants to its completed new constructions (see further section “– *Risks related to Sveafastigheter’s industry and market – Sveafastigheter may fail to attract tenants in relation to new construction developments*”). If the conditions, location and other characteristics of Sveafastigheter’s property portfolio do not correspond to the demand, or if the demand decreases, this could materially affect Sveafastigheter’s ability to maintain or increase its economic occupancy rate, which, in turn, would have a material adverse effect on Sveafastigheter’s results of operations and its ability to meet its financial and operational targets.

1) Statistics Sweden, statistical database. The data includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included.



The Group is subject to risks related to its property development projects

One of Sveafastigheter's business areas is property development projects in the form of new construction in Sweden. As of June 30, 2024, the Company's project development portfolio contained approximately 7,910 apartments, of which approximately 690 were ongoing construction and 7,220¹⁾ were non-started projects, with an estimated property value at completion of SEK 18 billion (SEK 1 billion for ongoing construction and SEK 17 billion for non-started projects)²⁾ as well as building rights corresponding to approximately 344,000 square meters, of which 123,000 square meter have gained legal force. Due to the size of the portfolio of property development projects, it is important that such projects can be carried out with financial profitability in line with the Company's financial and operational targets (for more information, see section "*Sveafastigheter may fail to achieve its financial and operational targets*"). Sveafastigheter's ability to carry out financially profitable property development projects is dependent on a number of factors, such as its ability to procure construction contracts for the implementation of the projects on terms acceptable to the Group, sourcing attractive projects and financing of projects (including whether creditors allow final placement of any building credits), whether the projects sufficiently meet market demand, whether demand or rents in general change, lack of planning, analysis and cost control, the financial standing of the contractors and suppliers it uses (see further section "*Sveafastigheter is exposed to risks relating to unfavorable contractual terms, quality of work and weakened financial standing by contractors and suppliers*"), incorrect assumptions regarding soil contamination, technical deficiencies in constructions (such as hidden faults), changes in taxes and fees as well as other factors, such as macroeconomic factors, that may lead to delays or increased or unforeseen costs in the projects or that projects cannot be completed (in a timely manner or at all), which could result in balance sheet impairments and the Company not being able to achieve its financial and operational targets.

Furthermore, the Group's ability to carry out property development projects in a financially profitable way is dependent on the Group succeeding in obtaining the necessary authority permits or decisions, for example, regarding the adoption of zoning plans. There is a risk that zoning plans related to the Group's projects will not be adopted or granted by the relevant municipality, or that the Group will not receive a final decision on a zoning plan within the time period anticipated by the Group. The processes for adopting a zoning plan and subsequently granting a building permit is carried out under municipal auspices in accordance with the Swedish Planning and

Building Act (Sw. *plan- och bygglagen (2010:900)*). As the processes are public procedures, concerned parties (such as neighboring property owners and others with a legitimate interest) are allowed to submit their opinions on the proposed residential development and concerned parties also have the right to appeal municipal decisions such as granting a zoning plan or building permit. Appeals from property owners may, for example, lead to delays in the planning process, changes in estimated construction volumes and that the Group's planned construction starts are postponed, or that zoning plans and/or building rights cannot be adopted or granted at all, meaning that the value of the relevant projects will be less than estimated, which could adversely affect the Group's financial position. In addition, within project development, Sveafastigheter is dependent on the ability to start construction within the stipulated timetable in order to retain the land allocation according to commitments made to the municipalities. Should Sveafastigheter be unable to meet those commitments for any reason, it would present a reputational risk, as well as a financial risk relating to Sveafastigheter being unable to achieve its financial and operational targets as well as potential balance sheet impairment.

If one or more of the above factors were to develop adversely or if any of the risks described above were to materialize, it could have a material adverse effect on the Group's business, results of operations and financial position.

Sveafastigheter's property upgrades may not be as successful as estimated

As further described in the section "*Business overview – Property management – Upgrades*", Sveafastigheter regularly engages in ongoing upgrades and energy efficiency improvements across its property portfolio, which are aimed at enhancing net operating income, surplus ratio, and tenant satisfaction. The Company estimates that the number of apartments in its current property portfolio with upgrade potential amounts to approximately 3,700. Based on the apartments that are eligible³⁾ for upgrade, Sveafastigheter estimates the potential upgrades could lead to an annual rent increase of approximately SEK 350–500⁴⁾ per square meter depending on the scope of the upgrade, a reduction of maintenance costs by SEK 25–30⁵⁾ per square meter, and an average yield on cost of approximately seven percent. While these activities are designed to improve the financial and operational performance of the Group, they also introduce a number of risks that could adversely affect the Group's business and financial position. For example, the process of upgrading and renovating properties is subject to the risk of cost overruns and unexpected delays. These can arise due to a variety of factors, including but not limited to,

1) Of which 1,300 are condominiums.

2) Based on external valuations made as of June 30, 2024, excluding condominiums.

3) The apartments eligible for upgrade are built before the year 1990 with a rent level below SEK 1,200 per square meter.

4) Based on the Company's historical levels of apartment upgrades.

5) Based on the Company's historical levels of cost savings and the Company's estimations of what the alternative cost would have been for (i) normal maintenance after a tenant moves out and (ii) normal maintenance that a tenant may require for the apartment to be habitable.



increases in the cost of materials, labor shortages, unforeseen structural issues, and delays in obtaining necessary permits or approvals, which in turn could significantly delay the upgrade process as well as increase the costs associated with the upgrade projects, and thereby reducing the anticipated yield on cost and potentially impacting the Group's financial performance.

Property upgrades function as events that allow property owners to increase rents based on the value-of-use method after an apartment is upgraded. When a tenant of the Company gives notice to terminate its lease, the apartment is inspected and, depending on the condition of the apartment, the rent level and the rental market, a decision is made by the Company whether to conduct an upgrade of the apartment or not. Generally, the Company and the Swedish Tenants Association agree on new rent levels for the completed, upgraded apartment, prior to the commencement of any refurbishing works, which gives the Company visibility on the allowed post upgrade rent increase. However, the Company's ability to achieve the estimated rent increases of approximately SEK 350–500 per square meter is contingent on successful negotiations with Swedish Tenants Association, whose outcomes may be uncertain and can be influenced by a variety of external factors that are beyond the Company's direct control, such as general economic conditions. Furthermore, while the Company estimates a reduction in maintenance costs by SEK 25–30 per square meter as a result of the upgrades, actual savings may differ materially from this estimate. The projected cost savings are based on estimates and may not materialize as expected if, for example, the energy efficiency improvements do not perform as anticipated or if other maintenance issues arise that were not addressed by the upgrades.

If any of the risks described above were to materialize, it could entail that the Company cannot execute on its overall upgrade strategy or that the upgrade strategy is not carried out in line with its expected profitability, which in turn may have a material adverse effect on the Group's reputation, business, results of operations and financial position.

Increased operating and maintenance costs may have an adverse effect on Sveafastigheter

In addition to the ongoing upgrades and energy efficiency improvements (see further section “– *Sveafastigheter property upgrades may not be as successful as anticipated*”), Sveafastigheter is responsible for operating and maintenance costs for its properties. Operating costs consist mainly of tariff-based costs, such as costs for property electricity, cleaning, water and heating. Sveafastigheter's operating and maintenance costs amounted to SEK 422 million during 2023, SEK 385 million during 2022 and SEK 265 million during 2021. Operating and maintenance costs may increase due to, among other things, inflation, which is beyond Sveafastigheter's control, and Sveafastigheter's operating and maintenance

costs may increase more than Sveafastigheter currently anticipates. The Group is also particularly exposed to cost increases due to rising inflation, as Sveafastigheter's main source of income is derived from residential properties, for which rents do not necessarily increase at the same rate as inflation levels. To the extent that any increases in Sveafastigheter's operating and maintenance costs are not compensated through rent increases through the annual negotiations with the Swedish Tenants Association, Sveafastigheter's business, financial position and profit may be adversely affected. Damage and defects on properties can affect Sveafastigheter adversely, lead to increased costs and damage Sveafastigheter's reputation.

All properties owned by Sveafastigheter will require some level of ongoing repair and maintenance in the future and repairs and maintenance are carried out continuously. Regular property maintenance aims to maintain the standard of the property in the long term, which is necessary in order to maintain the market value of and rent levels of the properties in Sveafastigheter's portfolio. However, the amount of required maintenance and repair work may increase, for example, as a result of changes to energy efficiency regulations or other requirements imposed on residential properties or as a result of damage caused by tenants or other parties. If some maintenance needs are not identified or resolved in time and as a result the level of maintenance is left insufficient, this may lead to decreases in the market value of such properties, and Sveafastigheter may also need to reduce the rent levels in these properties due to a lower value-of-use. To the extent that any cost increases are not compensated through rent increases through the annual negotiations with the Swedish Tenants Association, Sveafastigheter's business, financial position and profit may be adversely affected.

Operating in the real estate sector also entails technical risks. Technical risks refer to the risks associated with the technical operation of properties, such as the risk of construction faults, actual faults, other hidden defects or deficiencies, damage (caused, for example, by fire or other natural forces, or by tenants) and contaminants. Sveafastigheter has insurance coverage that covers certain technical risks such as fire and other natural forces. However, there is a risk that this insurance coverage is insufficient, either because the insured amount does not cover the damages or because the damage is not covered by the insurance. There is also a risk that insurance premiums will increase in the future. If technical problems arise, these can thus lead to a substantial increase in costs for Sveafastigheter.

Sveafastigheter has furthermore entered into construction contracts with contractors, including new construction of residential properties. In construction contracts, the contractor normally provides time-limited warranties for the performance of the contract. There is a risk that these warranties do not fully, or sufficiently, cover all defects that may arise or that the defects are not detected in time or at all. Furthermore, there is a risk that a warranty cannot be enforced because the contractor is



insolvent or because the contractor is otherwise unwilling to remedy the defect. There is also a risk that Sveafastigheter cannot invoke a warranty without additional costs, for example in the form of legal advice. There is thus a risk that any warranties cannot be fulfilled or that they can only be fulfilled with associated costs. If a deficiency is not remedied under applicable warranties, for whatever reason, it may have an adverse effect on Sveafastigheter's business, financial position and results of operations.

In addition, a real estate company's reputation is particularly important in relation to new and existing tenants. If Sveafastigheter fails to adequately respond to technical or maintenance-related problems, Sveafastigheter's reputation may be affected adversely, which in turn may lead to difficulties in retaining existing tenants or attracting new tenants. If Sveafastigheter's reputation is adversely affected or Sveafastigheter's costs increase due to technical damages, this can lead to a loss of rental income and/or lost growth opportunities.

Sveafastigheter may have to repay investment and energy subsidies

The Group has historically received investment and energy subsidies in connection with new construction developments on certain properties. As an example, the Group has in total received approximately SEK 281 million in investment and energy subsidies, and approximately SEK 26 million in subsidies for senior-friendly housing. If the Group's applications have been incorrect, for example, that they have based information submitted therein on incorrect assumptions and prerequisites, the Group may be liable to repay such subsidies. For more information on risks related to damage and defects to properties, see *inter alia* the section "*– Increased operating and maintenance costs may have an adverse effect on Sveafastigheter*". Faults and defects in properties may cause the Company to become liable for repayment as a result of not being able to achieve energy efficiency targets, which were a requirement for receiving the subsidies. In the event that the Group becomes liable to repay subsidies, irrespective of the reason, or if subsidies granted are not distributed, it could have a material adverse effect on the Group's results of operations and financial position.

Sveafastigheter is exposed to risks relating to unfavorable contractual terms, quality of work and weakened financial standing by contractors and suppliers

Sveafastigheter relies on long-term contracts with its key contractors and suppliers to carry out certain services and tasks relating to, among other things, new construction, maintenance as well as repair and modernization work of residential properties. By relying on contractors and suppliers, Sveafastigheter is exposed to a number of risks relating to these third-parties. For example, Sveafastigheter may not be able to enter into agreements with its contractors and suppliers on acceptable terms or, which the Company has experienced historically, the contractors

and suppliers may experience financial or other difficulties, for example relating to a shortage of labor, industrial disputes and insolvency situations, which may affect their ability to provide services. The quality of the work carried out by the contractors and suppliers may be inadequate and may result in defects despite Sveafastigheter's efforts to ensure quality. Further, although Sveafastigheter aims to ensure the quality of the work performed by its contractors and suppliers, using contractors and suppliers may subject Sveafastigheter to cost overruns (such as an unexpected increase of labor and material costs), delays with contractors in completing work, delays in acquiring the necessary work permits as well as weak quality of work and errors.

Sveafastigheter strives to mitigate risks related to external contractors and suppliers by performing certain central services and tasks, such as project and property management, as well as continuously monitoring the performance of its key contractors and suppliers, through in-house personnel. Moreover, Sveafastigheter seeks to avoid dependence on individual service providers to secure the continuity of services provided by contractors and suppliers by regularly identifying more than one eligible service provider for each outsourced task. However, there can be no assurances that eligible service providers will be available when needed, and replacing existing service providers may be difficult and costly. Any of these risks may affect Sveafastigheter's ability to provide services to its tenants, conclude its projects on time and within budget and result in additional costs for Sveafastigheter and thereby, have a material adverse effect on Sveafastigheter's business, financial condition, results of operations and future prospects.

Sveafastigheter's success, future operations and the implementation of its strategy is depend on its ability to attract, motivate and retain key individuals

Sveafastigheter's Executive Management consist of individuals who have many years of experience in areas such as property management, property acquisitions, property development projects and financing. Being able to attract, motivate and retain qualified employees and Executive Management is important for Sveafastigheter's success, future operations and business plan. In order to attract, motivate and retain certain key individuals, Sveafastigheter may be required to increase compensation to such individuals, resulting in additional expenses. If a number of employees leave Sveafastigheter, for whatever reason, or if Sveafastigheter does not succeed in attracting, retaining and motivating new employees when needed, there is a risk that Sveafastigheter cannot conduct its business as planned or to achieve its operational and financial targets (see further section "*– Sveafastigheter may fail to achieve its financial and operational targets*"). This risk is particularly accentuated in relation to Sveafastigheter's Executive Management. If one or more risks related to Sveafastigheter's ability to attract, motivate and retain key individuals and employees



were to materialize, it could have a material adverse effect on Sveafastigheter's business and financial position.

Sveafastigheter may fail to achieve its sustainability ambitions and meet ESG standards or requirements set out by authorities, investors and other stakeholders

In recent years, authorities, investors and other stakeholders have placed increasing demands related to environmental, social and governance ("ESG"). Sveafastigheter has evaluated and defined its approach to ESG in order to create long-term social, environmental and economic value in its business and set appropriate sustainability ambitions, such as that the Company aims to be climate neutral and use 100 percent renewable energy as well as promote circular economy, have zero serious personal injuries, robust processes to promote good working conditions both internally and throughout the supply chain and that all of Sveafastigheter's neighborhoods should be safe and inclusive. However, there is a risk that the Group may fail to achieve the Group's ambitions and/or expectations. Furthermore, there is a risk that the Group will fail to successfully implement its intended strategic actions or achieve established sustainability ambitions or may not be able to realize all or part of the benefits expected from its current plans or other future initiatives. In addition, investors may expect that the Group should implement new or different standards or targets related to ESG. For example, Sveafastigheter may be required to further reduce the Group's carbon footprint through reduced carbon emissions, reduced use of environmentally hazardous chemicals or more energy-efficient new construction. These external expectations on Sveafastigheter can be driven or reinforced by new disruptive business models, such as new technologies, new work processes and changed pricing models, in the markets where the Group operate. It may also be driven by new legislation (see further section "*Legal, regulatory and corporate governance risks – Sveafastigheter's operations are exposed to environmental risks and must comply with various health, safety and environmental regulations and these may adversely affect Sveafastigheter's operations and future earnings*"), including such legislation coming from the EU in the form of directives and regulations. Examples of such legislation from the EU include the Energy Performance of Buildings Directive and the Corporate Sustainability Reporting Directive. Furthermore, climate change, environmental degradation, social issues and other ESG factors can pose challenges for buildings, tenants and society at large and as such the operations of Sveafastigheter. As a result, the Group may be required to consider stricter ESG ambitions or standards, for example in order for investors and lenders to want to invest, or increase their investments, in Sveafastigheter. If Sveafastigheter fails to effectively manage requirements in relation to ESG responsibilities or fails to achieve its sustainability ambitions, confidence in Sveafastigheter

and its business and/or its access to capital may deteriorate. Compliance with ESG-related requirements may also place increased demands on Sveafastigheter's business, which may result in additional costs that could have an adverse effect on Sveafastigheter's financial position and operation profit.

Risks related to Sveafastigheter's financing arrangements

Sveafastigheter's operations are partly financed by incurring debt, which entails certain risks, including risks related to financial covenants and refinancing risks

Following the listing, Sveafastigheter's financing arrangements will consist of bank loan of SEK 10,176 million (with an unutilized credit facility of SEK 1,000 million)¹⁾ with Nordic commercial banks, of which some credit agreements are conditional upon the listing occurring. In addition to these financing facilities, the Company has also issued senior unsecured bonds in the aggregate principal amount of EUR 110.9 million (under a framework of EUR 183.5 million) and SEK 412.5 million²⁾, each with a maturity date occurring on January 29, 2027 (see further section "*Legal considerations and supplementary information – Material agreements – Financing arrangements*"). The maturity structure of the aforementioned financing arrangements is SEK 1,826 million in 2026, SEK 9,754 million in 2027 and SEK 265 million in 2028. The financing arrangements contain financial covenants (including covenants on interest coverage ratio and loan-to-value ratio) that, in unfavorable market conditions, could have particularly negative consequences for the Group, including but not limited to the following:

- ▶ Sveafastigheter's financial and operational flexibility in planning for, or adapting to, changes in its business or industry could be limited,
- ▶ Sveafastigheter's ability to fund capital expenditures on existing properties could be limited as Sveafastigheter may be forced to use part of its cash flow from operating activities to amortize and/or pay interest expenses attributable to debt financing,
- ▶ Sveafastigheter's ability to pursue business opportunities, make acquisitions and/or commence planned building constructions in line with its operational targets may be limited,
- ▶ Sveafastigheter's ability to incur additional credit or to secure any future credit could be limited, and
- ▶ Sveafastigheter may have a competitive disadvantage compared to those of its competitors that have less debt.

Although the Company is of the opinion that it, or other companies in the Group, currently has sufficient room against its financial covenants, there is no guarantee that a breach of the aforementioned covenants will not take place

1) Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.

2) The EUR bonds are hedged to SEK through currency hedging derivatives. As of August 31, 2024, the total outstanding amount of the bond loans in SEK amounted to SEK 1,669 million.



in the future due to, for example, unfavorable market conditions or other unforeseen reasons. If Sveafastigheter or other companies in the Group would be in breach of one or more financial or other covenants in a financing agreement, this could lead to the financing becoming due for immediate repayment ahead of schedule, or that collateral is realised. If a financing becomes due for immediate repayment ahead of schedule it may, in accordance with cross default provisions, result in other obligations becoming due for repayment ahead of schedule as well. Cancellation of one or more financing raised by the Company or other companies in the Group, or realisation of pledged collateral, could have a material adverse effect on Sveafastigheter's liquidity, financial position, profit and prospects.

Conversely, Sveafastigheter is exposed to credit risks relating to its financial operations. Such credit risks arise in connection with, among other things, investments of Sveafastigheter's cash or cash equivalents, entering into interest rate hedging agreements and long-term and short-term credit agreements. If Sveafastigheter's financial counterparties, do not fulfill their obligations towards Sveafastigheter, their defaults could have a material adverse effect on Sveafastigheter's financial position and results of operations.

Furthermore, the Group is dependent on being able to obtain new financing when existing debt falls due. Sveafastigheter's ability to obtain such financing depends on its business, prospects and market conditions. There is a risk that the 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, lenders may choose not to extend the Group's loans at maturity or there may not be alternative credit facilities at the Group's disposal. Additionally, the Group has, and may in the future continue to, raise debt by accessing the capital markets. Capital markets are affected by general market conditions and the Group is therefore exposed to the potential effects of adverse market conditions such as interest rate fluctuations and inflation which may affect the Group's ability to access capital markets. A general downturn in the general economic climate or disruptions in the capital and credit markets could further lead to Sveafastigheter's access to financing being limited and Sveafastigheter's ability to refinance its credits disappearing. For example, the Russian military invasion of Ukraine and tensions in the Middle East have led to significant market disruptions, including significant volatility in international credit and capital markets and deteriorating financing conditions, which have led to, and may continue to lead to, material adverse effects on the Group's business through its operations. If Sveafastigheter in the future either fails to obtain the necessary financing or does not have sufficient liquidity to fulfill its obligations or the ability to refinance its debts or can only refinance its debts at significantly increased costs or on terms unfavorable to Sveafastigheter, it may have a material adverse effect on Sveafastigheter's business and financial position, which in turn could affect the Group's ability to repay debts as they fall due.

Sveafastigheter's access to capital is affected by the developments in the global financial markets

The Swedish real estate market is affected by developments in the global financial markets. During 2022 and 2023, the global economy was adversely affected by increased inflation in large parts of the world, including Sweden, which led to an increase in central bank interest rates to combat inflation, and, consequently, reduced demand for properties due to less attractive financing options. A slower than anticipated lowering of interest rates could also prolong the period of reduced demand for properties, as financing would remain less attractive for a longer duration than market participants might expect. Moreover, it is not excluded that further rate raises may be implemented (see further section "*– Risks related to Sveafastigheter's industry and market – Property valuations are to a certain extent subjective and may incorrectly assess the values of Sveafastigheter's properties*"). There is also a risk that higher inflation and/or higher interest rates may cause disruptions in the global financial market and/or have an adverse effect on the credit ratings of participants, such as Sveafastigheter. Concerns about credit risk, including sovereign credit risk, have increased globally, in particular with the presence of significant sovereign debts and/or fiscal deficits in a number of European countries and the United States, concerns related to, for example, the United States-China trade relations. This has raised concerns regarding the financial condition of financial institutions and other companies located in these countries, companies with direct or indirect exposure to these countries, and/or companies whose banks, customers, service providers, financiers and/or suppliers have direct or indirect exposure to these countries. Defaults, or a significant downgrading of credit ratings, of one or more sovereigns or global financial institutions, could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group's counterparties or customers, directly or indirectly, in ways that are difficult to predict.

Negative developments in the global financial markets could limit the Group's access to the capital it requires to finance its operations on attractive terms and could have a material adverse effect on the Group's financial position and operating profit.

Fluctuations in interest rate levels may increase the costs of financing

Sveafastigheter's operations are financed through equity and debt financing from credit institutions and public debt markets. The Company's interest expenses for such debt financing are one of Sveafastigheter's largest cost items. In addition to the level of interest-bearing liabilities, interest expenses are mainly affected by the level of current market interest rates and credit institutions' margins.

Even if Sveafastigheter to some extent uses interest rate derivatives in the form of interest rate swaps to manage interest rate risk, in the long term, changes in



interest rates can have a material effect on Sveafastigheter's profit and cash flows. Before 2022, interest rates in Sweden and in the EU have had a material effect on the residential real estate market leading to high valuations for residential properties. These interest rates have during 2022 increased from 0.00 percent to 4.00 percent by the end of 2023. In 2024, however, the Swedish Riksbank has deviated from its previous course of policy rate increases by lowering the policy rate to 3.25 percent. Although the policy rate has come down and central bank rates appear to have stabilized and/or be subject to reduction, it cannot be ruled out that interest rates remain at current levels for extended periods or increase. Any increases in interest rates could lead to a breach of financial covenants in the Group's financing agreements, which in turn could lead to Sveafastigheter being required to repay loans prematurely (see further section "– Sveafastigheter's operations are partly financed by incurring debt, which entails certain risks, including risks related to financial covenants and refinancing risks. Any changes in inflation and interest rates may therefore affect the market value of the Group's properties. Materialization of any of the above risks could have a material adverse effect on the Group's business, financial position, profit and prospects.

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

As specified above, Sveafastigheter's financing arrangements will, following the listing, consist of bank financing of SEK 10,176 million (with an unutilized credit facility of SEK 1,000 million)¹⁾ as well as outstanding bond loans in the aggregate principal amount of EUR 110.9 million (under a framework of EUR 183.5 million) and SEK 412.5 million²⁾. In some of the Group's financing agreements certain provisions may be triggered by a change of control of the Group. Under the Group's financing agreements, a change in ownership occurs in the event if, amongst other things, any person, or group of persons acting in concert (directly or indirectly) after the listing takes control over 30 percent (or 50 percent in relation to the Group's bond loans) or more of the shares and/or votes in the Company. Furthermore, one of the credit agreements has a provision stating that a mandatory repayment is triggered if (i) SBB's shareholding (direct or indirect) in the Company falls below 50 percent and (ii) SBB thereafter acquires or otherwise regains direct or indirect control over 50 percent or more of the shares and/or votes in the Company. Although no change of control is anticipated in connection with the Offering, if a change of control occurs in the future, some rights of the counterparty or obligations for the Group, could be triggered by such changes of control and come into force, which may affect the Group's future financing. If the Group's financing is affected, which could indirectly affect the Group's ownership of properties, this could have a material adverse effect on the Group's business, financial position, operating profit and prospects.

Legal, regulatory and corporate governance risks

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

The Group operates in Sweden, and it must comply with various requirements set out in a number of laws, codes, acts and regulations including, among other things, zoning regulations, building standards and safety regulations. The Group's business is regulated by, among other things, 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 a minimum of SEK 1 thousand and maximum of SEK 1 million, while a violation of the Swedish Planning and Building Act could prohibit the continuation of building work on the Group's properties, the imposition of fees or the removal of any additions made in the course of an upgrade done without the necessary permits.

On October 9, 2023, the Swedish government presented a legislative proposal (SOU 2023:55) which, if adopted, would introduce a permit procedure for the acquisition of residential properties by municipalities, aimed at preventing malpractice and disreputable ownership of residential properties. Though the scope of the legislative proposal as well as its practical consequences remains uncertain at this stage, if the legislative proposal were to be implemented in its current form, it could lead to increased risks of delays and uncertainties in residential property transactions, as well as additional administrative burdens for Sveafastigheter. There is also a risk of inconsistent application of the law across different municipalities in Sweden, which could further complicate Sveafastigheter's future compliance efforts and operational planning.

New acts and regulations, or a change in the application of existing legislation that the Group must take into account in its operations, or changes that affect the operations of the Group's tenants, may adversely affect the Group's business, financial position, operating profit and prospects. In addition, there is a risk that the Group's interpretation of existing codes, acts and regulations is incorrect, or that the accepted interpretation of these codes may change in the future. Furthermore, the procedures set up by the Group to comply with such codes, acts and regulations may be incomplete or inadequate, which could cause the Group to incur increased costs or face the risk of material fines or penalties. The 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 ongoing or future legal or

1) Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.

2) The EUR bonds are hedged to SEK through currency hedging derivatives. As of August 31, 2024, the total outstanding amount of the bond loans in SEK amounted to SEK 1,669 million.



administrative proceeding turns out to be negative for the Group, this could have a material adverse effect on the Group's financial position and operating profit. As an example, the Swedish Tax Agency has initiated a written proceeding regarding tax deductions made by one of the Company's subsidiaries in respect of costs attributable to repair and maintenance, see further "*Risk factors – Legal, regulatory and corporate governance risks – Sveafastigheter's tax situation may deteriorate as a result of tax-related decisions and changes in taxation legislation*". Furthermore, the Company has applied to register (i) the figurative trademark comprising the Company's logotype and the word "SVEAFASTIGHETER" and (ii) the wordmark "SVEAFASTIGHETER" (see further "*Legal considerations and supplementary information – Intellectual property*") with the European Union Intellectual Property Office ("EUIPO"), however, an external party has formally opposed to this application. Although the Company assesses that it has sufficient existing protection for the Company's business due to, *inter alia*, the registration of its company name, Sveafastigheter AB (publ), such objection proceedings with the EUIPO could result in, Sveafastigheter being unable to register the aforementioned trademark and wordmark, either by way of entire or partial refusal, which may entail that the Company has no, or a more limited, registered protection in the EU (including Sweden) for the aforementioned trademark and wordmark (even though its existing protection would not be lost), and that the Company may have less favorable chances to defend its existing intellectual property rights for that reason going forward. The Company believes that the practical impact of a denial of its registration application would be that Sveafastigheter would not have exclusivity to the rights for which it has applied going forward. The Company assesses that such negative outcomes are unlikely, and any such decision by the EUIPO to refuse or partially refuse the registration(s) would be appealable.

The Group may become involved in additional disputes or claims. Such disputes may involve, among other things, contractual issues, warranty claims, construction-related issues, environmental issues and intellectual property rights. The conduct of litigation may result in, among other things, costs associated with settlements and awards of damages and other liabilities that may be imposed on the Group. A dispute that is lost or otherwise protracted could result in significant costs for the Group and disrupt normal operations. The consequences of these risks are that it could have a material adverse effect on the Group's business, profit or financial position.

Sveafastigheter operates in a regulated market, which could be subject to change due to political decision making or new regulations

The Swedish residential rental market is regulated, meaning that the rents for tenants do not follow market pricing, which aims to ensure that rent levels do not increase too rapidly and remain at reasonable levels for the benefit of tenants (see further section "*Market overview –*

Introduction – The Swedish rent regulation for apartments"). However, should there be a shift in this system, or a transition to a new system entirely, due to political decisions or new regulations (or for any reason), it could introduce a significant risk for real estate companies operating within the residential sector. While such changes could, for example, allow residential real estate companies to charge higher rents, reflecting market pricing, there is also the potential risk of such real estate companies needing to charge lower rent levels due to, *inter alia*, the general economy, economic vacancy rate or demographic trends in Sweden developing unfavorably. This could lead to a less predictable rent development trajectory, resulting in more volatile rental income streams for residential real estate companies in Sweden. The unpredictability of rent adjustments may challenge the Group's ability to forecast and manage cash flows effectively.

Furthermore, an increase in rent could precipitate payment difficulties among tenants, leading to higher tenant turnover rates. This scenario could incur additional costs for residential real estate companies due to the need for more frequent tenant searches and potential loss of income during vacancy periods. Additionally, the prospect of increased profitability may attract new entrants to the market, intensifying competition among residential real estate companies. This heightened competition could manifest in a struggle to attract and retain tenants, potentially driving down rent levels. Moreover, an increase in the supply of properties due to more competitors entering the market, or greater new constructions generally, could lead to lower valuations of properties generally. The combined effect of these factors, if any should materialize, could adversely impact the Group's rent levels and property values, and in turn adversely affect the Group's rental income as well as its overall business, financial position and results of operations.

Sveafastigheter's operations are exposed to environmental risks and must comply with various health, safety and environmental regulations and these may adversely affect Sveafastigheter's operations and future earnings

Sveafastigheter's operations in property management entail environmental risks and Sveafastigheter is subject to environmental regulations that may impose liability if Sveafastigheter fails to comply. Although Sveafastigheter conducts inspections in connection with the acquisition of individual properties, there is a risk that environmental regulations were not complied with. Under current environmental legislation in Sweden, 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, Sveafastigheter 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 Sveafastigheter of investigation, removal, or remediation required to comply with environmental regulations may be substantial and therefore such orders may adversely affect Sveafastigheter's profit, 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 Sveafastigheter with respect to sanitation or remediation regarding currently held or future acquired properties.

Sveafastigheter is 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. These regulations may change and additional regulations may be introduced. Non-compliance with such acts and regulations may result in Sveafastigheter being forced to pay fees, fines or be subject to enforcement measures. Sveafastigheter may also in some cases be subject to, sometimes significant, restrictions on the operations of Sveafastigheter.

Furthermore, contaminants may also be detected on properties and in buildings, in particular during upgrade processes. The discovery of any contaminants or residual pollution in connection with the lease or sale of a property could trigger claims for rent reductions, price reductions, damages or lease terminations. Measures to remove such contaminants or remediate any pollution can be required as part of Sveafastigheter's ongoing operations and may, depending on the extent of the contamination, involve considerable costs and have a material adverse effect on Sveafastigheter's profit.

Sveafastigheter's tax situation may deteriorate as a result of tax-related decisions and changes in taxation legislation

The Group operates through a number of subsidiaries in Sweden. The handling of tax issues within Sveafastigheter is based on interpretations of current, relevant, taxation legislation and other taxation regulations and decisions by the Swedish Tax Agency (Sw. *Skatteverket*). Furthermore, Sveafastigheter regularly obtains advice from independent tax experts on these matters. From time to time, Sveafastigheter and its subsidiaries are subject to tax audits and reviews. There is a risk that tax audits or reviews will result in the imposition of additional taxes, for example in relation to historical transactions and previously finalized acquisitions, mergers, demergers and reorganizations of companies, share transactions with employees, hired consultants and deductions of interest expenses. As an example, the Swedish Tax Agency has initiated a written proceeding regarding tax deductions of approximately SEK 89 million made by one of the Company's subsidiaries in respect of costs attributable to repair and maintenance

in its 2022 income tax return. If the tax deduction is denied by the Swedish Tax Agency, it may result in additional corporate income tax payable of approximately SEK 18 million in respect of tax year 2022. Further, if the subsidiary's disclosure of the aforementioned tax deduction is not considered sufficient by the Swedish Tax Agency, tax surcharges of approximately SEK 1.8 million¹⁾ may be levied.

Several companies within the Group incur substantial net interest expense. To the extent net interest expense may not be deducted in one tax year due to the general interest deduction limitation rules, such net interest expense may either be carried forward for a maximum of six years, or under certain circumstances be transferred to and deducted by a group company. However, net interest expenses carried forward may be forfeited in the event of a change of control, meaning that a new company obtains the control of the company with net interest expenses carried forward. The Group has been subject to reorganization measures prior to the Offering and may be subject to further changes in ownership in the future. As of June 30, 2024, the Group had not activated any unutilized net interest expenses on the Group's balance sheet as the assessment is that these will not be utilized in the next few years and such unutilized net interest expenses may also be deemed forfeited as a result of change in ownership of or within the Group in the future.

Furthermore, the Group engages consultants through consultancy agreements. Should such consultants, due to the terms and conditions of the consultancy agreements, be considered as de facto employees, the Company may be required to pay social security contributions. In addition, the Group may also be denied deductions for input VAT on consultancy fees paid to such consultants and be subject to tax penalties of up to 20 percent of the incorrectly deducted VAT.

If Sveafastigheter's interpretations of taxation legislation and other taxation regulations or their applicability are incorrect, if the Swedish Tax Agency is successful in making negative adjustments to the tax payable for a business unit within Sveafastigheter, or if applicable laws, agreements, regulations or interpretations thereof or the administrative practice in relation thereto are changed, including changes with retroactive effect, Sveafastigheter's past and current handling of tax issues may be questioned. If the Swedish Tax Agency is successful in their claims, this could lead to an increased tax expense (including a tax surcharge and interest) which could have a material adverse effect on Sveafastigheter's profit.

The Company may be or become a passive foreign investment company, which could result in materially adverse United States federal income tax consequences to United States holders of shares

Based on its income, assets and business activities, and the composition of its income and assets, the Company does not believe that it was a passive foreign investment company ("PFIC") for its most recent taxable year, and it

1) The Company assesses that the tax surcharges will likely be capped to ten percent as a consequence of the potential error being an accrual deduction.



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 is a yearly determination and depends upon the nature of its business activities, composition of its income and assets as measured from time to time, there can be no assurance that the Company will not be classified as a PFIC for any particular taxable year. If the Company were to be classified as a PFIC, this could result in materially adverse U.S. federal income tax consequences for U.S. Holders (as defined below). See “Regulatory, Tax and ERISA Considerations—Tax Aspects—Certain U.S. Tax Considerations—U.S. Taxation of U.S. Persons—Passive Foreign Investment Company and Controlled Foreign Corporations.” U.S. Holders are urged to consult their own tax advisors as to whether the Company may be treated as a PFIC and the U.S. federal income tax consequences thereof.

Sveafastigheter’s compliance with the EU General Data Protection Regulation may be inadequate, which may adversely affect Sveafastigheter’s business and financial position

Sveafastigheter processes a variety of personal data, primarily including the data of its current tenants and employees both in electronic and physical form. Sveafastigheter 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. Sveafastigheter has been affected by three personal data breaches during the previous three years, which have been reported to the Swedish Authority for Privacy Protection (Sw. *Integritetsskyddsmyndigheten*) (“IMY”). IMY has decided to terminate these incidents without any action. 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 Sveafastigheter’s systems that house personal data are hacked, if Sveafastigheter has shortcomings in its processing of personal data or otherwise fails to comply with the GDPR, Sveafastigheter could be subject to substantial monetary fines which could have a material adverse effect on Sveafastigheter’s business and financial position. The Swedish Authority for Privacy Protection 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 the Group’s total global turnover of the preceding financial year, depending on which is higher. For less severe violations the fine can at most be EUR 10 million or two percent of the company’s total global turnover for the preceding financial year, whichever is the highest.

Risks related to the separation of Sveafastigheter from SBB

Sveafastigheter’s historical financial information as well as the pro forma financial statements and the stand-alone adjustments in the Offering Circular do not necessarily provide a true and complete picture of Sveafastigheter as of the date of the Offering Circular Sveafastigheter’s combined financial statements do not necessarily provide a fair and complete picture of Sveafastigheter’s results of operations and financial position had Sveafastigheter been operated as a stand-alone company with the operations that Sveafastigheter has as of the date of the Offering Circular. Sveafastigheter in its current form has not been a separate group during the financial years ended December 31, 2023, 2022 and 2021.

Furthermore, the pro forma financial statements as well as the stand-alone adjustments presented in this Offering Circular have been prepared for illustrative purposes to present a hypothetical illustration and are not intended to describe the Company’s actual financial position or results of operations. The pro forma financial statements and the stand-alone adjustments do not necessarily reflect the Company’s actual and financial position and should not be considered as an indication of the Company’s future results of operations or financial position. In conclusion, there is a risk that Sveafastigheter’s financial information presented in this Offering Circular does not necessarily provide a fair or complete picture of Sveafastigheter as of the date of the Offering Circular and should not be used as a basis for conclusions about Sveafastigheter’s future financial position and performance.

There is a risk that the expected benefits from the separation of Sveafastigheter from SBB are not realized

One of the intended purposes of the separation of Sveafastigheter from SBB is to expand the Company’s shareholder base and enable Sveafastigheter to access the Swedish and international capital markets, which will support the Company’s continued growth and development. Sveafastigheter is deemed to have greater opportunities as a separate company to take advantage of the potential and to further accelerate the long-term business growth and success in order to create substantial shareholder value. Additionally, Sveafastigheter believes that the separation will enable the Company to access more attractive financing as an independent corporate entity. However, there is a risk that the expected benefits of the separation will not be achieved if the assumptions on which the decision to implement the separation are based prove to be incorrect or if the expected benefits have been overestimated. To the extent that Sveafastigheter, as a stand-alone company, incurs additional costs or generates lower revenues, its financial position and results of operations could be adversely affected and the expected benefits from the separation may not be realized.



Sveafastigheter is smaller than the SBB group and will be more specialized following the separation from SBB group, which means that there is no option to offset the effects of certain operational risks

The asset base of Sveafastigheter as a stand-alone company will be less than the total asset base of the SBB group before the separation. This means that any risk that exists in the SBB group before the separation of Sveafastigheter and that will exist in Sveafastigheter after the separation will have a greater impact on Sveafastigheter as a stand-alone company. This may include, for example, the ability to handle unforeseen claims and costs of material importance. In addition, there is a risk that the more specialized business of Sveafastigheter will not be able to offset the effects of certain operational risks that the SBB group has in its current form. Further, Sveafastigheter has historically been covered by and relied on SBB's policies and related internal procedures. Now, as a standalone public company, Sveafastigheter must adopt and follow its own policies and related internal procedures with respect to, for example, anti-bribery and anti-corruption policies and, although Sveafastigheter's personnel largely consists of personnel previously working at SBB with good experience of regulatory and policy compliance, there could be a learning curve in relation to familiarization with and implementation of such policies and related internal procedures in relation to Sveafastigheter. These risks, if they materialize, could have an adverse effect on Sveafastigheter's business and financial position.

Risks related to the securities

An active, liquid and functioning market for trading in Sveafastigheter's shares may not develop, the price of the shares may be volatile and potential investors may lose all or part of their investment

Prior to the Offering, there is no public market for Sveafastigheter's shares. There is a risk that an active and liquid market will not develop or, if such a market develops, that it will not be sustained after the completion of the Offering. The Offering Price will be determined through a bidding process and will thus be based on demand and the overall market conditions. The Offering Price will be determined by Sveafastigheter and the Selling Shareholder in consultation with the Joint Global Coordinators. This price will not necessarily reflect the price at which investors in the market are willing to buy and sell the shares for after the Offering. Thus, investors may not be able to resell the shares at or above the Offering Price.

The sale of shares by existing shareholders may cause the price of the share to fall

The market price of Company's share could decline if there are substantial sales of the Company's shares, particularly any future sales, as applicable, by the Company's directors, Executive Management, and significant shareholders, or otherwise when a large number of shares are sold.

The Selling Shareholder has agreed, subject to certain exceptions, until at least 180 days after the date of commencement of trading on Nasdaq First North Premier

Growth Market, not to sell its shares or enter into transactions with a similar effect without the prior written consent of the Managers. After the expiry of the lock-up period, the Selling Shareholder will be free to sell its shares in Sveafastigheter. Any sales of substantial amounts of Sveafastigheter's shares in the public market by the Selling Shareholder after the expiry of the lock-up period, or the perception that such sales might occur, could cause the market price of Sveafastigheter's share to decline.

The Selling Shareholder will continue to have significant influence over Sveafastigheter after the Offering and this may limit the ability of new shareholders to influence company matters

Following completion of the Offering, the Selling Shareholder will at minimum own 56 percent of the shares in the Company. It is likely that the Selling Shareholder will continue to have significant influence over the outcome in matters submitted to Sveafastigheter's shareholders for approval, including the election of directors and any merger, consolidation or sale of all or substantially all of Sveafastigheter's assets. In addition, the Selling Shareholder may have significant influence over the Company's Executive Management and Sveafastigheter's operations.

The interests of the Selling Shareholder may differ significantly from, or compete with, the interests of Sveafastigheter or other shareholders, and the Selling Shareholder may exert its influence over Sveafastigheter in a way that is not in the interest of other shareholders. For example, there may be a conflict between the interests of the Selling Shareholder on the one hand and the interests of the Company or its other shareholders with respect to distribution of dividends. Such conflicts may have an adverse effect on the Group's business, profit and financial position.

Companies listed on Nasdaq First North Premier Growth Market are subject to a less extensive set of rules and regulations compared to companies listed on regulated markets

Nasdaq First North Premier Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland, Iceland and Sweden, operated by an exchange within the Nasdaq group. Companies listed on Nasdaq First North Premier Growth Market are not subject to all the same rules as companies listed on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. For instance, a company whose shares are to be listed on Nasdaq First North Premier Growth Market is not obliged to appoint an exchange auditor to review the listing entity. Such companies are furthermore not subject to the same stringent disclosure requirements, for example provisions on flagging, meaning that significant changes in ownership may occur without immediate public disclosure, or the same financial reporting requirements, which can result in less transparency regarding these companies' financial position



and operations. As a result of the aforementioned and other differences in regulation, the rights and obligations of the Nasdaq First North Premier Growth Market companies and their shareholders may differ from the rights and obligations of companies traded on a regulated market. The risk in investing in a company on Nasdaq First North Growth Market may therefore be higher than investing in a company that is listed on a regulated market.

Sveafastigheter's ability to pay dividends to its shareholders depends on the Company's future profit, financial position, cash flows, working capital requirements, capital expenditures and other factors

The size of future dividends from the Company depends on a number of factors, such as the Company's future profits, financial position, cash flow, working capital requirements, capital expenditures and other factors. Sveafastigheter may not have sufficient distributable funds and Sveafastigheter's shareholders may resolve not to pay dividends in the future. According to Sveafastigheter's dividend policy, no dividend will be paid for the financial year 2024 and the dividend will be low or none in the coming years.

Differences in currency exchange rates may materially adversely affect the value of shareholdings or dividends paid

Sveafastigheter's shares will be denominated in SEK only, and any dividends will be paid in SEK. As a result, shareholders outside Sweden may experience adverse effects on the value of their shareholding and their dividends, when converted into other currencies if the SEK depreciates against the relevant currency.

Shareholders in the United States or other countries outside Sweden may not be able to participate in any potential future cash offers

If the Company issues new shares in a cash issue, shareholders shall, as a general rule under the Swedish Companies Act, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to such issue. Shareholders in certain other countries may, however, be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited. For example, shareholders in the United States may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the Securities Act is effective in respect of such subscription rights and shares or an exemption from the registration requirements under the Securities Act is available. Shareholders in other jurisdictions outside Sweden may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. Sveafastigheter is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside Sweden in respect of any subscription rights and shares and doing so in the future may be impractical and

costly. To the extent that shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, their ownership in the Company may be diluted or reduced.

The ability of overseas shareholders to bring actions or enforce judgments against the Group or its board members may be limited

The ability of an overseas shareholder to bring an action against the Group may be limited by the law. The Company is a public limited liability company incorporated in Sweden. The rights of holders of the shares are governed by Swedish Law and by the Company'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 board members. All but one of the board members are residents of Sweden. Consequently, it may not be possible for an overseas shareholder to effect service of process upon the board members and within the overseas shareholder's country of residence or to enforce against the board members 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 board members 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 board members in any original action based solely on the foreign securities laws brought against the Group or the board members in a court of competent jurisdiction in Sweden or other countries.

The commitments to acquire shares in the Offering are not secured and may therefore not be realized

Certain members of the Board of Directors and the Executive Management of the Company, as well as Leiv Synnes, CEO of SBB, have committed to, directly or indirectly, acquire shares in the Offering as set out below.

Commitments to acquire shares

- ▶ Peter Wågström: 20,000 shares;
- ▶ Christer Nerlich: 10,000 shares;
- ▶ Per O. Dahlstedt: SEK 150,000;
- ▶ Erik Hävermark: 20,000 shares;
- ▶ Martina Lous-Christensen: 10,000 shares;
- ▶ Ola Svensson: 10,000 shares; and
- ▶ Leiv Synnes: SEK 10,000,000 (within the SBB Priority Tranche¹⁾).

The commitments to acquire shares are not secured by any bank guarantee, blocked funds or pledge of collateral or similar arrangements and, hence, there is a risk that the aforementioned commitments to acquire shares, in whole or in part, will not be realized, which could have an adverse material effect on the completion of the Offering.

1) For further information on the SBB Priority Tranche, refer to the section "Terms and conditions".



Invitation to acquire shares in Sveafastigheter

In order to facilitate Sveafastigheter's continued growth and development, the Company and the Selling Shareholder have resolved to diversify the ownership of the shares. Sveafastigheter's Board of Directors has therefore applied for listing of the Company's shares on Nasdaq First North Premier Growth Market.

Pursuant to the terms and conditions set forth in the Offering Circular, investors are hereby offered by the Selling Shareholder to acquire a maximum of 76,521,740 shares in Sveafastigheter. Furthermore, existing shareholders in SBB on the record date September 27, 2024 will be given priority to acquire shares in the Offering (the "**SBB Priority Tranche**"), subject to restrictions that may arise from applicable securities laws. The size of the SBB Priority Tranche will be determined by SBB in consultation with the Joint Global Coordinators following the end of the Offering period. For further information on the SBB Priority Tranche, refer to the section "*Terms and conditions*".

The price of the Offering will be determined through a book-building process. The final price per share in the Offering (the "**Offering Price**") will be set within the price range of SEK 39.5 to SEK 45.5 (the "**Price Range**") by the Selling Shareholder in consultation with the Joint Global Coordinators based on the discussions preceding the commitments to acquire shares made by the persons specified below, contacts with institutional investors, current market conditions and a comparison with the market price of other comparable listed companies. The Offering Price to the general public will not exceed SEK 45.5 per share. The final Offering Price is expected to be made public through a press release around October 18, 2024.

The Selling Shareholder will issue an option to the Managers, which can be utilized in whole or in part by the Managers, that during 30 days from the first day of trading in the shares on Nasdaq First North Premier Growth Market, to acquire additional 11,478,260 existing shares from the Selling Shareholder, equal to 15 percent of the maximum total number of shares encompassed by the Offering, at the Offering Price, to cover any overallotment in connection with the Offering (the "**Overallotment Option**"). Provided that the Overallotment Option is exercised in full, the Offering encompasses a maximum of 88,000,000 shares, which represents 44 percent of the shares and votes in the Company.

Based on the full acceptance of the Offering and a final Offering Price equal to the midpoint of the Price Range, SEK 42.5, the total value of the Offering amounts to SEK 3,252,173,950. If also the Overallotment Option is exercised in full, the total value of the Offering amounts to SEK 3,740,000,000, based on a final Offering Price corresponding to SEK 42.5.

Certain members of the Board of Directors and the Executive Management of the Company, as well as Leiv Synnes, CEO of SBB, have committed to, directly or indirectly, acquire shares in the Offering as set out below.

Commitments to acquire shares

- ▶ Peter Wågström: 20,000 shares;
- ▶ Christer Nerlich: 10,000 shares;
- ▶ Per O. Dahlstedt: SEK 150,000;
- ▶ Erik Hävermark: 20,000 shares;
- ▶ Martina Lous-Christensen: 10,000 shares;
- ▶ Ola Svensson: 10,000 shares; and
- ▶ Leiv Synnes: SEK 10,000,000 (within the SBB Priority Tranche¹⁾).

Stockholm, October 7, 2024

Sveafastigheter AB (publ)

Board of Directors

1) For further information on the SBB Priority Tranche, refer to the section "*Terms and conditions*".



Background and reasons

Sveafastigheter is a Swedish real estate company founded in 2014 (and subsequently acquired by SBB in 2020), with a track-record of long-term and in-house property management and development of Swedish residential properties in growth regions. Sveafastigheter only manages rent regulated residential properties and is subsequently exposed to a market characterized by structural demand with close to no vacancies. Further, the average rent level in Sweden has not decreased since 1969, and its regulated market has consistently achieved average residential rent increases that surpass the Swedish rate of inflation¹⁾, see further section “*Market overview – The structural vacancy in the Swedish residential rental market*”. Sveafastigheter’s business is guided by a responsible and sustainable approach to real estate with a focus on both environmental and social impacts.

Sveafastigheter is headquartered in Stockholm and focuses on regions exhibiting long-term rental and value growth potential supported by demographic trends derived from proximity to institutions of higher education and strong local labor markets. Sveafastigheter’s property portfolio and building rights are concentrated to growth regions, with approximately 94 percent of its assets located in metropolitan regions²⁾ and university cities³⁾.

The Company’s business concept is to own, actively manage and build attractive rental housing in growth regions in Sweden with a focus on tenant satisfaction, the Company’s profitability and local community involvement and strong sustainability work. With an in-house and local property management organization, Sveafastigheter focuses on active property management to drive organic profitable growth with a focus on tenant satisfaction and cost control. In addition, Sveafastigheter has developed a highly standardized process for upgrades and continuously evaluates apartments when vacant. The Company has a track-record of executing upgrades with good profitability, creating value for both tenants and the Company.

With a structural demand for housing across Sweden and the regions where Sveafastigheter has properties, the Group has, and will continue to, engage in new property development, primarily in the Stockholm-Mälardalen region. With a long presence in the market, Sveafastigheter’s in-house project organization has established a strong reputation for reliability and accountability, crucial in the development process with municipalities. Since its inception in 2014, Sveafastigheter’s project development organization has completed projects with over SEK 3.6 billion in property value and a 16 percent return on capital.

Sveafastigheter, created via the merger of SBB’s residential property businesses, Sveafastigheter Bostadsutveckling, Hemvist and Unobo, directly owns SEK 27.5 billion of residential assets as of June 30, 2024 with SEK 24.3 billion relating to standing assets divided across 14,470 apartments in 260 individual properties. In addition, Sveafastigheter has approximately 690 apartments in ongoing construction that will together with the standing assets generate an annual earnings capacity net operating income of approximately SEK 1,011 million. Sveafastigheter has an ambition to continue to generate shareholder value and it aims to achieve, over a business cycle, an average annual growth of at least 12 percent in net asset value per ordinary share. Sveafastigheter aims to reach this target through focusing on effective property management with a focus on tenant satisfaction, increasing economic occupancy and decreasing cost, while also upgrading at least 2,000 apartments over the next five years. In addition, and supporting its net asset value growth, over the next five years, Sveafastigheter annually aims to start production of at least 600–800 apartments with a continuous replenishment of the project portfolio by obtaining at least 800 land allocation agreements for new construction annually. As a result, Sveafastigheter aims to increase the surplus ratio, including property administration, to over 70 percent within the next five years, while over time retaining a strong balance sheet with a loan-to-value ratio between 40–50 percent.

1) Statistics Sweden, statistical database from 1969 up until 2023.

2) Refers to properties in Sveafastigheter’s regions Stockholm-Mälardalen, Malmö-Öresund, and Greater Gothenburg, as set out in “*Business overview – The property portfolio – Standing asset portfolio deep dive as of June 30, 2024*”.

3) Refers to university cities included in Sveafastigheter’s property portfolio, as set out in “*Business overview – The property portfolio – Standing asset portfolio deep dive as of June 30, 2024*”.



The Offering and the listing will expand the Company's shareholder base and enable Sveafastigheter to access the Swedish and the international capital markets, which will support the Company's continued growth and development. Additionally, Sveafastigheter believes that the Offering will enable the Company to access more attractive financing on a stand-alone basis.

The Board of Directors and Executive Management of Sveafastigheter, supported by the Selling Shareholder, consider the Offering and listing of the Company's shares to be a logical and important step in Sveafastigheter's development, which will also increase the awareness of Sveafastigheter and its operations among current and potential customers and suppliers. For these reasons, the Board of Directors has applied for listing on Nasdaq First North Premier Growth Market. In addition, the Company aims to change listing venue to the Nasdaq Stockholm Main Market within 12 months.

In other respects, reference should be made to the full particulars of this Offering Circular, which has been prepared by the Board of Directors of Sveafastigheter in connection with the application for listing of the Company's shares on Nasdaq First North Premier Growth Market and the Offering made in connection with the listing.

The Board of Directors of Sveafastigheter is responsible for the content of this Offering Circular. To the best of the Board of Directors' knowledge, the information contained in this Offering Circular is in accordance with the facts and no information that likely could affect its meaning has been omitted.

Stockholm, October 7, 2024

Sveafastigheter AB (publ)

Board of Directors

From a SBB perspective, the Offering continues the strategy to decentralize the group structure by establishing wholly and partially owned business units. SBB benefits from creating business units that can autonomously increase flexibility in terms of funding, improve financial reporting, enhance specialization, enable more rapid decision-making, foster closer cooperation with tenants, and further create value. Furthermore, SBB expects that the listing will strengthen the balance sheet, thereby improving SBB's financial position.

The Board of Directors of Sveafastigheter alone is responsible for the content of this Offering Circular. However, the Selling Shareholder confirms commitment to the terms and conditions of the Offering in accordance with what is set out in section "Terms and conditions".

SBB i Norden AB



Terms and conditions

The Offering

The Offering comprises a maximum of 76,521,740 existing shares. The Offering is divided into two components:

- ▶ The Offering to the general public in Sweden¹⁾
- ▶ The Offering to institutional investors in Sweden and abroad²⁾

Furthermore, existing shareholders in SBB on the record date September 27, 2024 will be given priority to acquire shares in the Offering (the “**SBB Priority Tranche**”), subject to restrictions that may arise from applicable securities laws. For further information on the SBB Priority Tranche, refer to the section “*Priority for SBB’s shareholders (the SBB Priority Tranche)*”.

The outcome of the Offering is expected to be announced in a press release that will be available on Sveafastigheter’s website (www.sveafastigheter.se) on or about October 18, 2024.

Overallotment Option

The Selling Shareholder will issue an option to the Managers, which can be utilized in whole or in part for 30 days from the first day of trading in the shares on Nasdaq First North Premier Growth Market, to acquire 11,478,260 additional existing shares from the Selling Shareholder, equal to 15 percent of the maximum total number of shares encompassed by the Offering, at the Offering Price, to cover any overallotment in connection with the Offering. Provided that the Overallotment Option is exercised in full, the Offering encompasses a maximum of 88,000,000 shares, which represents 44 percent of the shares and votes in the Company. For further information on the Overallotment Option, see section “*Legal considerations and supplementary information – Placing agreement*”.

Distribution of shares

The distribution of shares between each part of the Offering will be based on demand and participation in and distribution of shares to the SBB Priority Tranche. The distribution will be determined by SBB in consultation with the Joint Global Coordinators.

Book-building procedure

In order to achieve a market-based pricing of the shares in the Offering, institutional investors will be given the opportunity to participate in a form of book-building procedure by submitting expressions of interest. The book-building procedure will commence on October

8, 2024 and continue until October 16, 2024. This procedure will determine the Offering Price.

The book-building procedure for institutional investors may be suspended earlier or extended. Notice of any such suspension or extension will be announced through a press release prior to the expiration of the Offering period. See also section “*Terms and conditions – Application – The offering to institutional investors*”.

Offering Price

The price in the Offering will be determined through the above described book-building procedure. The final price per share in the Offering will be determined within the price range of SEK 39.5 to 45.5 by the Selling Shareholder in consultation with the Joint Global Coordinators based on the discussions preceding the commitments to acquire shares (see the section “*Legal considerations and supplementary information – Commitments to acquire shares*”), contacts with institutional investors, current market conditions and a comparison with the market price of other comparable listed companies. The Offering Price to the general public will not exceed SEK 45.5 per share. No brokerage fee is payable. The Offering Price is expected to be made public through a press release around October 18, 2024.

Priority for SBB’s shareholders (the SBB Priority Tranche)

Shareholders in SBB as of the record date September 27, 2024 will have priority to acquire shares in the Offering, subject to restrictions that may arise from applicable securities laws. Shareholders in SBB who wish to benefit from the priority afforded to SBB shareholders must apply for shares through the SBB Priority Tranche in accordance with the instructions set out in the section “*Application*” below. SBB shareholders may, as applicable, also apply for shares in the offering to the general public in Sweden or the offering to institutional investors in Sweden and abroad, but will not as SBB shareholders receive any priority through such applications. The size of the SBB Priority Tranche will be determined by SBB in consultation with the Joint Global Coordinators following the end of the Offering period. For further information about allotment in the SBB Priority Tranche, see section “*Terms and conditions – Allotment – The SBB Priority Tranche*”.

Application

The SBB Priority Tranche

Applications from the SBB shareholders for the acquisition of shares shall be made during the period October 8,

1) The public includes private individuals and legal entities who register to acquire a maximum of 28,800 shares.

2) Institutional investors are individuals and legal entities that apply to acquire more than 28,800 shares.



2024 – October 16, 2024 and relate to a minimum of 130 shares in even slots of 10 shares, in accordance with the instructions set out below.

The Selling Shareholder, SBB, in consultation with the Joint Global Coordinators reserves the right to extend the application period in the SBB Priority Tranche. Notification of such an extension will be given in a press release prior to the end of the application period.

Directly registered shareholdings

SBB's shareholders who are directly registered in the share register of SBB maintained by Euroclear Sweden, shall submit their application to DNB according to instructions in the Priority Application Form which is electronically available on DNB's website (www.dnb.se/emission). Only one application per investor may be made. If more than one application is submitted to DNB, DNB reserves the right to consider only the first application received (applications will not be aggregated). Late application, as well as incomplete or incorrectly completed application form, may be disregarded. No additions or changes may be made to the text printed on the application form. The application is binding.

Nominee-registered shareholdings with DNB, SEB, Nordea, Danske Bank, Swedbank, Avanza or Nordnet

SBB's shareholders who are not directly registered in the share register of SBB maintained by Euroclear Sweden, who holds their shares with DNB, SEB, Nordea, Danske Bank, Swedbank, Avanza or Nordnet shall submit their application to their respective bank, according to instructions from the respective financial institution.

Only one application per investor may be made. If more than one is submitted, then DNB, SEB, Nordea, Danske Bank, Swedbank, Nordnet and Avanza reserves the right to consider only the first application received (applications will not be aggregated). Late application, as well as incomplete or incorrectly completed application form, may be disregarded. No additions or changes may be made to the text printed on the application form. The application is binding.

Nominee-registered shareholdings with other banks

Shareholders in SBB holding their shares with any other bank or nominee than DNB, SEB, Nordea, Danske Bank, Swedbank, Avanza or Nordnet, should contact their respective bank or nominee to investigate if and how they may apply for shares in the Offering through the bank or nominee.

In such case SBB's shareholders are not able to participate in the SBB Priority Tranche through their bank or nominee, the application can be made by submitting the electronically available Priority Application Form together with its Exhibit A (see further under "*Certificate of ownership*") to DNB. Such certificate shall be verified by the bank or nominee which the SBB shares were held with on the record date. The Priority Application Form, together

with Exhibit A (Certificate of ownership), is electronically available on DNB's website (www.dnb.se/emission).

However, such shareholders are encouraged to investigate the possibility of transferring their respective shares to Avanza or Nordnet and send an application through any of these banks. Any such transfers should be carried out well in advance before the end of the application period and in accordance with Avanza's or Nordnet's respective instructions. A certificate of ownership from the bank, in line with Exhibit A (see further under "*Certificate of ownership*"), where the SBB shares were held on the record date will have to be sent to Avanza or Nordnet to complete the application for the SBB Priority Tranche. For further information on this, please contact Avanza or Nordnet directly.

Only one application per investor may be made. If more than one application is submitted to DNB, DNB reserves the right to consider only the first application received (applications will not be aggregated). Late application, as well as incomplete or incorrectly completed application form, may be disregarded. No additions or changes may be made to the text printed on the Priority Application Form. The application is binding.

Certificate of ownership

SBB's shareholders whose shares are nominee registered and not visible in SBB's public shareholder register or register of directly registered shareholders, as per record date, and who do not hold their shares with either SEB, DNB, Nordea, Swedbank, Danske Bank, Avanza or Nordnet or through another nominee bank that allows its clients to participate in the SBB Priority Tranche through them, must submit a certificate of ownership (Exhibit A to the Priority Application Form) to DNB together with the Priority Application Form. Such certificate shall be verified by the bank or nominee which the SBB shares were held with on record date. The Priority Application Form, together with Exhibit A (Certificate of ownership), is electronically available on DNB's website (www.dnb.se/emission).

For further instruction on applying for shares by submitting the Priority Application Form, together with Exhibit A (Certificate of ownership), see "*Application instructions for each bank – Application for the SBB Priority Tranche and the Offering to the general public in Sweden*".

The offering to the general public in Sweden

Applications from the general public in Sweden for the acquisition of shares shall be made during the period October 8, 2024 – October 16, 2024 and relate to a minimum of 130 shares and a maximum of 28,800 shares¹⁾, in even slots of 10 shares. The Selling Shareholder, SBB, in consultation with the Joint Global Coordinators reserves the right to extend the application period for the general public in Sweden. Notification of such an extension will be given in a press release prior to the end of the application period.

1) Anyone applying to acquire for more than 28,800 shares must contact the Managers as set out in section "*The offering to institutional investors*".



Anyone wishing to use accounts with specific rules for securities transactions, such as endowment insurance (Sw. *kapitalförsäkring*), for the acquisition of shares in the Offering must clear with the bank or institution that provides their insurance if this is possible.

Applications in the offering to the general public in Sweden can be made via DNB, SEB, Nordnet or Avanza, see the section “*Application instructions for each bank*” and the sub-sections “– *Application via DNB (for the SBB Priority Tranche and the Offering to the general public in Sweden)*”, “– *Application via SEB (for the SBB Priority Tranche and the Offering to the general public in Sweden)*” “– *Application via Nordnet (for the SBB Priority Tranche and the Offering to the general public in Sweden)*” and “– *Application via Avanza (for the SBB Priority Tranche and the Offering to the general public in Sweden)*” below).

Late application, as well as an incomplete or incorrectly completed application, may be disregarded. No additions or changes may be made to the text printed on an application form. Only one application per investor may be made (applications will not be aggregated). If more than one application is submitted, then DNB, SEB, Nordnet and Avanza reserves the right to only consider the first application received. Note that the application is binding. Notification of such an extension will be given in a press release prior to the end of the application period.

Application instructions for each bank

Application for the SBB Priority Tranche and the Offering to the general public in Sweden

SBB’s shareholders who are not directly registered in the share register of SBB maintained by Euroclear Sweden, who holds their shares with DNB, SEB, Nordea, Danske Bank, Swedbank, Avanza or Nordnet shall submit their application to their respective bank, in accordance with the instructions set out below. Shareholders in SBB holding their shares with any other bank or nominee than DNB, SEB, Nordea, Danske Bank, Swedbank Avanza or Nordnet are referred to the section “*Application – The SBB Priority Tranche – Nominee-registered shareholdings with other banks*”.

Application via DNB (for the SBB Priority Tranche and the Offering to the general public in Sweden)

Persons applying to acquire shares in the SBB Priority Tranche through DNB must hold a securities account or a securities depository account with a Swedish securities institution. Applicants who do not hold a securities account or a securities depository account with a Swedish securities institution must open such an account prior to submission of the application form. Please note that it may take some time to open such accounts. The application of acquisition of shares through DNB shall be made by completing and signing an application form which is electronically available on DNB’s website (www.dnb.se/emission). The application form must be received by DNB no later than 15:00 (CEST) on October 16, 2024.

Persons applying to acquire shares in the offering to

the general public in Sweden through DNB must hold a securities account or a securities depository account with a Swedish securities institution. Applicants who do not hold a securities account or a securities depository account with a Swedish securities institution must open such an account prior to submission of the application form. Please note that it may take some time to open such accounts. The application of acquisition of shares through DNB shall be made by completing and signing an application form which is electronically available on DNB’s website (www.dnb.se/emission). The application form must be received by DNB no later than 15:00 (CEST) on October 16, 2024. For information regarding the need for a certificate of ownership for shareholders who are not directly registered in the share register, see section “*Application – The SBB Priority Tranche – Nominee-registered shareholdings with other banks*” and “*Application – The SBB Priority Tranche – Certificate of ownership*”.

Application via SEB (for the SBB Priority Tranche and the Offering to the general public in Sweden)

Persons applying to acquire shares in the SBB Priority Tranche through SEB must hold a securities depository account or an investment savings account (“ISK”) with SEB. Persons who do not hold a securities depository account or ISK with SEB must open such account or depository prior to submission of the application form. Please note that it may take some time to open a securities depository account or ISK. When acquiring shares to be registered in an ISK, payment must always be made with funds available in the ISK.

SEB customers must have sufficient funds available in their account for the period starting at 00:00 (CEST) on October 18, 2024 up to and including 23:59 (CEST) on October 22, 2024, corresponding to at least the amount to which the notification relates. Thus, the holder undertakes to keep the amount available in the specified securities depository account or ISK during the aforementioned period, and the holder is aware that no allotment of shares can be made if the amount is insufficient during this period. Please note that the amount cannot be disposed of during the specified period. As soon as possible after allotment has taken place, the funds will be freely available to those who do not receive any allotment. Funds that are not available will be entitled to interest during the specified period in accordance with the terms and conditions of the securities depository account or ISK specified in the notification.

Persons applying to acquire shares in the offering to the general public in Sweden through SEB must hold a securities depository account or an investment savings account (“ISK”) with SEB. Persons who do not hold a securities depository account or ISK with SEB must open such account or depository prior to submission of the application form. Please note that it may take some time to open a securities depository account or ISK. When acquiring shares to be registered in an ISK, payment must always be made with funds available in the ISK.



For participation in the offering via SEB, the application for acquisition shall be made via SEB's Internet bank using Digipass, BankID or Mobile BankID, see further instructions on SEB's website (www.seb.se). The application through SEB's Internet bank shall be received by SEB no later than 12:00 (CEST) October 16, 2024. Customers in SEB Private Banking shall not apply via SEB's Internet bank, but instead apply via their stockbroker or private banker.

Application via Nordnet (for the SBB Priority Tranche and the Offering to the general public in Sweden)

Nordnet's customers in Sweden applying to acquire shares in the SBB Priority Tranche or in the offering to the general public in Sweden can apply through Nordnet's webservice. Application to acquire shares is made via Nordnet's webservice and can be submitted from and including October 8, 2024 up to and including 12:00 (CEST) on October 16, 2024. To ensure that such customers do not lose their right to any allotment, Nordnet customers must have sufficient funds available in their account from 12:00 (CEST) October 16, 2024 until the settlement date, which is expected to be October 22, 2024. Full details of how to become a Nordnet customer and the application procedure via Nordnet are available on www.nordnet.se. To become a customer and open an account is free of charge. For customers that have an investment savings account at Nordnet, should an application result in allotment, Nordnet will purchase the equivalent number of shares in the Offering and resell the shares to the customer at a price corresponding to the price in the Offering.

For more information on transferring shares to Nordnet, see www.nordnet.se for further information.

Application via Avanza (for the SBB Priority Tranche and the Offering to the general public in Sweden)

Persons applying to acquire shares in the SBB Priority Tranche or in the offering to the general public in Sweden through Avanza must hold a securities depository account or an ISK with Avanza. Persons who do not hold an account with Avanza must open such an account prior to submission of the application form. Opening a securities account or an ISK with Avanza is free of charge and takes approximately three minutes.

Customers with Avanza can apply to acquire shares via Avanza's internet service from October 8, 2024 up to and including 12:00 (CEST) on October 16, 2024. In order not to lose the right to potential allotment, customers with a depository account at Avanza must have sufficient funds available in their depository account from the last time of application up to and including the settlement date, expected to be the period from 12:00 (CEST) October 16, 2024 up to and including October 22, 2024.

More information about the application procedure through Avanza as well as the transferring of shares to Avanza is available at www.avanza.se.

Application via Nordea (for the SBB Priority Tranche)

SBB's shareholders who are not directly registered in the share register of SBB maintained by Euroclear Sweden who hold their shares with Nordea and apply to acquire shares through the SBB Priority Tranche shall submit their application in accordance with instructions from Nordea. Note that applications in the offering to the general public in Sweden cannot be made via Nordea.

Application via Danske Bank (for the SBB Priority Tranche)

SBB's shareholders who are not directly registered in the share register of SBB maintained by Euroclear Sweden, who holds their shares with Danske Bank and applying to acquire shares through the SBB Priority Tranche shall submit their application according to instructions from Danske Bank. Danske Bank will contact the relevant customers via the Danske Bank internet services with instructions regarding how to apply to acquire shares through the SBB Priority Tranche. The application shall be received by Danske Bank no later than 12:00 (CEST) October 16, 2024.

Payment for allotted shares will be deducted from the specified securities depository account or ISK on October 22, 2024. Danske Bank customers must have sufficient funds available in their account for the period starting at 12:00 CEST on October 16, 2024 up to and including 23:59 (CEST) on October 22, 2024, corresponding to at least the amount to which the notification relates. Thus, the holder undertakes to keep the amount available in the specified securities depository account or ISK during aforementioned period.

For customers with an ISK account in Danske Bank, Danske Bank will, if the application results in allotment, acquire the corresponding amount of shares in the Offering and sell the shares to the customer for the price set in the Offering. When acquiring shares to be registered in an ISK, payment must always be made with funds available in the ISK. Note that applications in the offering to the general public in Sweden cannot be made via Danske Bank.

Application via Swedbank (for the SBB Priority Tranche)

For SBB's shareholders who are not directly registered in the share register of SBB maintained by Euroclear Sweden, who holds their shares with Swedbank or a savings bank and applying to acquire shares through the SBB Priority Tranche, an application can be made via online banking, mobile telephone, the customer service centre, advisors, personal brokers or by visiting any Swedbank or savings bank branch. The cash account stipulated for payment must be held by the applicant applying to acquire shares and be linked to the stipulated depository account or investment savings account. For customers with an investment savings account with Swedbank or a savings bank, Swedbank and the savings bank will, if an application results in the allotment of shares, acquire a number of shares corresponding to the number in the allotment and sell these to the customer at the applicable price stated in the Offering.



Applications must have been received by Swedbank not later than 08:00 (CEST) on October 16, 2024.

Note that from 08:00 (CEST) on October 16, 2024 up to and including 23:59 (CEST) on October 22, 2024, the balance of the cash account with Swedbank or the savings bank must correspond to at least the amount to which the application relates. This means that the account holder undertakes to keep this amount available in the stated account for the aforementioned period and that the holder is aware that no shares will be allotted if the amount is insufficient during this period. Note that it will not be possible to utilise the amount during the stipulated period and that the final date on which the cash funds must be available in the account may be adjusted if the application period is changed. Following the allotment, the reserved amount will be available as soon as possible to those who have not been allotted any shares. Note that applications in the offering to the general public in Sweden cannot be made via Swedbank.

The offering to institutional investors

The application period for institutional investors in Sweden and abroad will take place during the period October 8, 2024 – October 17, 2024 through the Managers (in accordance with specific instructions). SBB, in consultation with the Joint Global Coordinators, reserves the right to shorten or extend the application period for institutional investors. Any such extension or shortening will be announced by the Company through a press release. Expression of interest from institutional investors in Sweden and abroad shall be submitted to the Managers.

Important information about LEI and NPID

According to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“MiFID II”), all investors, since 2018 need a global identification code in order to carry out securities transactions. These requirements imply that all legal entities need to apply for registration of a LEI (Legal Entity Identifier), and all natural persons need to find out their NPID number (National Personal ID or National Client Identifier), in order to acquire shares in the Offering. Please note that it is the legal status of the acquirer that determines whether an LEI or NPID is required and that the Managers may be prevented from executing the transaction for the person if no LEI or NPID (as applicable) is provided. Legal entities requiring an LEI can turn to one of the providers available in the market. Instructions regarding the global LEI system can be found at www.gleif.org/en/about-lei/get-an-lei-find-lei-issuingorganizations. For natural persons with only a Swedish citizenship, the NPID number is “SE” followed by the person’s personal identification number. If the person in question has multiple citizenships or another citizenship than Swedish, the NPID number can be another type of number.

Those who intend to apply for subscription of shares under the Offering are encouraged to apply for registration

of an LEI code (legal entities) or find out their NPID number (natural persons) as soon as possible, as this information must be stated in the application.

Allotment

Decision on allotment of shares in the Offering will be made by SBB in consultation with the Joint Global Coordinators, whereby the target is to achieve a strong institutional ownership base and a broad distribution of the shares among the general public in order to enable a regular and liquid trading in the shares on Nasdaq First North Premier Growth Market.

The SBB Priority Tranche

Full allotment in the SBB Priority Tranche is not guaranteed. The size of the SBB Priority Tranche will be determined by SBB in consultation with the Joint Global Coordinators following the end of the Offering period. In the event of oversubscription in the SBB Priority Tranche, allotment will be made on a pro rata basis to investors in the SBB Priority Tranche based on their holding of shares in SBB on the record date as stated in the application (however, not lower than the minimum subscription of 130 shares). The allotment does not depend on when the application is submitted during the application period.

The offering to the general public in Sweden

The allotment does not depend on when the application is submitted during the application period. In the event of oversubscription, allotment may not take place or take place with a lower number of shares than the application refers to, whereby allotment may take place in whole or in part through a random selection. Allotment to persons who receive shares in the Offering will primarily be made so that a certain number of shares are allotted per application.

In addition, members of the Board of Directors, members of the Executive Management and employees of the Company as well as customers of the Managers may be considered separately at allotment. Allotment of shares may also be made to employees of the Managers, Avanza and Nordnet, however, without these being prioritized. In such cases, the allotment will take place in accordance with the regulations of the Swedish Securities Market and the Swedish Financial Supervisory Authority (the “SFS”).

The offering to institutional investors

Decisions on allotment of shares in the Offering to institutional investors in Sweden and abroad shall, as mentioned above, be made with the aim of achieving a good and strong institutional ownership base. Allotment to the institutional investors who have submitted their expressions of interest will take place on a fully discretionary basis.



Information on allotment, delivery and payment of shares

The SBB Priority Tranche

Allotment of shares applied through the SBB Priority Tranche is expected to take place around October 17, 2024. As soon as possible thereafter, contract notes will be sent by e-mail to those who have applied through DNB and been allocated shares in the Offering. Those who have not been allocated shares will not be notified. Payment shall be made in accordance with the instructions on the sent contract note and shall be received by DNB no later than 16:00 (CEST) on October 21, 2024. If full payment is not made in due time, allotted shares may be sold. Should the sales price in such a transfer be lower than the Offering Price, the person who initially received the allocation of shares in the Offering may have to pay the difference.

SBB shareholders who have applied for offer shares through any other nominee bank than DNB will be notified and pay for the shares in accordance with that bank's internal processes. Those who have not been allocated shares will not be notified.

The offer to the general public in Sweden

Allotment of shares applied in the offer to the general public in Sweden is expected to take place around October 17, 2024. As soon as possible thereafter, contract notes will be sent by e-mail to those who have been allocated shares in the Offering. Those who have not been allocated shares will not be notified. Payment shall be made in accordance with the instructions on the sent contract note.

Allotment, delivery and payment of shares for each specific bank

Applications received by DNB

Allotment is expected to take place around October 17, 2024. As soon as possible thereafter, contract notes will be sent by e-mail to those who have been allocated shares in the Offering. Those who have not been allocated shares will not be notified. Payment shall be made in accordance with the instructions on the sent contract note and shall be received by DNB no later than 16:00 (CEST) on October 21, 2024. If full payment is not made in due time, allotted shares may be sold. Should the sales price in such a transfer be lower than the Offering Price, the person who initially received the allocation of shares in the Offering may have to pay the difference.

Applications received by SEB

Notice of allotment is expected to be available around 09:00 (CEST) on October 18, 2024 via the respective securities depository or ISK.

Payment for allotted shares will be deducted from the specified securities depository account or ISK on October 22, 2024. If sufficient funds are not available on the specified securities depository account or ISK on the settlement date, October 22, 2024, or if full payment is not

made in due time, allotted shares may be transferred and sold to someone else. Should the sales price at such transfer be lower than the Offering Price, the person who initially received allotment of shares in the Offering may have to pay the difference.

Application received by Nordnet

Customers who have applied via Nordnet's internet service will receive information on allotment by the allotted number of shares being booked against payment of funds in the specified account, which is expected to take place at approximately 09:00 (CEST) on October 18, 2024. For Nordnet customers, funds for allotted shares will be drawn not later than the settlement date October 22, 2024. Please note that funds for payment of allotted shares are to be available in the specified account from 12:00 (CEST) on October 16, 2024 up to and including October 22, 2024.

Application received by Avanza

Customers who have applied via Avanza's internet service will receive information on allotment by the allotted number of shares being booked against payment of funds in the specified account, which is expected to take place at approximately 09:00 (CEST) on October 18, 2024. For Avanza customers, funds for allotted shares will be drawn not later than the settlement date October 22, 2024. Please note that funds for payment of allotted shares are to be available in the specified account from 12:00 (CEST) on October 16, 2024 up to and including October 22, 2024.

Applications received by Danske Bank

Notice of allotment for the SBB's shareholders who are not directly registered in the share register of SBB maintained by Euroclear Sweden, who holds their shares with Danske Bank and applying to acquire shares through the SBB Priority Tranche, who have been allocated shares in the Offering, is expected to be available around 09:00 (CEST) on October 18, 2024 via the Danske Bank internet services.

Payment for allotted shares will be deducted from the specified securities depository account or ISK on October 22, 2024. Danske Bank customers must have sufficient funds available in their account for the period starting at 12:00 CEST on October 16, 2024 up to and including 23:59 (CEST) on October 22, 2024, corresponding to at least the amount to which the notification relates.

Applications received by Nordea

Notice of allotment for the SBB's shareholders who are not directly registered in the share register of SBB maintained by Euroclear Sweden, who holds their shares with Nordea and applying to acquire shares through the SBB Priority Tranche, who have been allocated shares in the Offering, is expected to be available on or around 09:00 (CEST) on October 18, 2024 via the Nordea internet services.



Applications received by Swedbank

Swedbank will send a settlement note to those who have been allotted shares in the SBB Priority Tranche. Information regarding allotment of shares will also be shown in the Securities Service (Sw. *Värdepapperstjänsten*) under order status, which is expected to take place at about 09:00 (CEST) on October 18, 2024.

Funds are expected to be withdrawn from the cash account with Swedbank or the savings bank on October 22, 2024. For customers of Swedbank and a savings bank, cash funds must be available in the stated account during the period from 08:00 (CEST) on 16 October, 2024 up to and including 23:59 (CEST) on 22 October, 2024.

The offer to institutional investors

Institutional investors are expected to receive information regarding allotment on or about October 18, 2024 in a particular order, whereupon contract notes will be distributed. Full payment for allotted shares must be made in cash no later than October 21, 2024 in accordance with the instructions set out in the contract note. Note that if full payment is not made in due time, the allotted shares may be transferred to another party. Should the price in the event of such transfer be lower than the Offering Price, the person who originally received allotment of shares in the Offering may have to pay the difference.

Listing on Nasdaq First North Premier Growth Market

The Board of Directors of Sveafastigheter has applied for listing of the Company's shares on Nasdaq First North Premier Growth Market. The estimated first day of trading on Nasdaq First North Premier Growth Market is October 18, 2024. The shares (with ISIN code SE0022243812) will be traded under the ticker SVEAF.

Important information regarding the potential sale of allocated shares

Please note that notification of allotment to the general public in Sweden will be issued by distribution of contract notes, which is expected to take place on October 18, 2024. Notification of allotment for shareholders who have applied for shares through their nominee and received allotment will be made in accordance with the respective nominee's routines. Institutional investors are expected to receive notification of allotment in a separate order on or around October 18 2024, after which contract notes will be distributed. After payments for allotted shares has been processed, duly paid shares will be transferred to the securities depository or account designated by the buyer. The time required for sending contract notes, transferring payment, and transferring acquired shares to buyers of the Company's shares could mean that these investors will have acquired shares available on such designated depository or account at the earliest October 22, 2024 or a few days later.

Trading in the Company's shares on Nasdaq First North Premier Growth Market is expected to commence on

October 18, 2024. The fact that the shares may not be available in the investor's specified depository or account until October 22, 2024 at the earliest, may mean that the investor will not be able to sell the shares on Nasdaq First North Premier Growth Market from the date on which trading in the shares commenced, but when the shares are available at the specified depository or account.

Stabilization

In connection with the Offering, DNB may, to the extent permitted in accordance with Swedish law, carry out transactions aimed to stabilizing, maintaining or otherwise support the market price of the Company's shares, for a period of up to 30 days from the commencement of trading in the Company's shares on Nasdaq First North Premier Growth Market. For further information on stabilization, see "*Legal considerations and supplementary information – Stabilization*".

Announcement of the outcome of the Offering

The final outcome of the Offering will be announced through a press release that will be available on the Company's website (www.sveafastigheter.se) on or about October 18, 2024.

Right to dividend

The shares included in the Offering carry a right to dividends for the first time on the record date for dividends that occurs following listing of shares. Decisions on dividends are proposed by the Board of Directors and made by the General Meeting. Payment of dividends is arranged by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the respective nominee's procedures. Right to receive dividend is limited to shareholders registered in the shareholder register maintained by Euroclear Sweden on the record date for dividend determined by the general meeting. For further information, see "*Share capital and ownership structure*". Regarding deduction of Swedish withholding tax, see "*Legal considerations and supplementary – Important information on taxation*".

Terms and conditions for the completion of the Offering

The Offering is conditional upon the Company, SBB and the Managers entering into a placing agreement regarding the Offering (the "**Placing Agreement**"), that certain conditions in the Placement Agreement are fulfilled and that the agreement is not terminated. The Managers' obligations under the Placing Agreement to procure purchasers for the shares, or in the event that such procurement fails, to subscribe for the shares themselves, are conditional upon, *inter alia*, that certain force majeure events do not occur, that there is no material adverse change in the Group's business and that certain other customary conditions are met. The Managers may terminate the Placing Agreement until the trading commences on the settlement date of October 22, 2024



if any material adverse event occurs or if any of the other conditions set out in the Placing Agreement are not met, in which case the Offering would be cancelled. This means that trading in the Company's shares will be conditional during the first two trading days. If the Offering is withdrawn, this will be announced through a press release no later than the morning of October 22, 2024 and any applications received will be disregarded and any paid proceeds will be refunded.

Other information

Information to investors

The fact that SEB, DNB, Nordea, Swedbank and Danske Bank are Managers does not mean that the banks consider applicants for the Offering (the "Investor") as a customer of the respective bank. The Investor is considered a customer of the bank with respect to the Offering only if the bank has advised the Investor on the Offering or has otherwise contacted the Investor individually regarding the Offering. The consequence of the bank not considering the Investor as a customer for the Offering is, for example, that the rules regarding investor protection under the Securities Market Act (2007:528) does not apply to the investment. This means, *inter alia*, that neither the so-called customer classification nor the suitability assessment will be applied regarding the investment. Accordingly, the Investor is responsible for ensuring that it has sufficient experience and knowledge to understand the risks associated with the investment.

Information to distributors

With regard to product governance requirements in: (a) EU Directive 2014/65/EU on markets in financial instruments, ("MiFID II"), (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, (c) national transposition measures (collectively, "MiFID II product governance requirements"), and without liability for damages that may otherwise be imposed on a "producer" under MiFID II product governance requirements, the shares in the Company have been subject to a product approval process, where the target market for the shares in the Company are (i) retail clients and investors that qualify as professional clients and eligible counterparties, individually as defined in MiFID II, (ii) suitable for distribution through all distribution channels permitted under MiFID II, (iii) clients that are unsophisticated investors, meaning clients with basic capital markets knowledge or experience about shares, (iv) clients with a balanced risk tolerance with the ability to bear losses up to the entire invested amount, and (v) clients whose investment objective is to seek capital growth or potential dividend returns. The negative target market for an investment in the shares of the Company is (i) retail clients seeking capital protection or full repayment of the amount invested, and (ii) are fully risk averse or requiring a fully guaranteed income, capital protection or a fully predictable return profile (the "Target Market Assessment").

The Target Market Assessment does not affect the

requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. The Target Market Assessment is not to be considered as (a) a suitability or appropriateness assessment pursuant to MiFID II; or (b) a recommendation to any investor or group of investors to invest in, acquire, or take any other action in respect of the shares in the Company. Each distributor is responsible for its own assessment of the target market for the shares in the Company and for determining the appropriate distribution channels.

Information about the processing of personal information

The person acquiring shares in the Offering will submit information to SEB, DNB, Nordea, Swedbank, Danske Bank, Nordnet or Avanza. Personal data submitted to SEB, DNB, Nordea, Swedbank, Danske Bank, Nordnet or Avanza will be processed in computer systems to the extent necessary to provide services and administer customer engagement. Personal data obtained from sources other than the customer may also be processed. Personal data may also be processed in data systems of companies or organizations with which SEB, DNB, Swedbank, Danske Bank, Nordnet or Avanza cooperates.

DNB

The person applying to acquire shares in the Offering will provide DNB Bank ASA, Sweden branch with personal data. Personal data that is submitted to DNB Bank ASA, Sweden branch, for example contact information and personal identity numbers or that is otherwise registered in connection with the preparation or administration of the offer, is treated by DNB Bank ASA, Sweden branch, which is responsible for the personal data, for administration and execution of the offer. Personal data which is received from other sources than customers could also be processed. Personal data could also be processed in a data system at companies which cooperate with DNB Bank ASA, Sweden branch. Treatment of personal data also occurs so that DNB Bank ASA, Sweden branch is able to fulfill their commitments according to applicable laws. Personal data might for certain purposes, with consideration to the regulations regarding bank secrecy, sometimes be distributed to other companies within the DNB Group or to companies that DNB Bank ASA, Sweden branch cooperates with, within and outside the EU/EES in accordance with the precautions approved and applied by the EU. In some cases, DNB Bank ASA, Sweden branch is also obliged by law to distribute personal data, for example to the Swedish Financial Supervisory Authority or the Swedish Tax Agency.

Further information on how DNB processes personal data is available on DNB's website https://www.dnb.se/portalfont/dnb_se/AllmanaVillkor/Request_for_Personal_Data.pdf



SEB

Those who acquire shares in the Offering will provide personal data to SEB. Personal data submitted to SEB will be processed in computer systems to the extent required to provide services and administer customer arrangements. Personal data that has been obtained from sources other than the customer may be processed. Personal data may also be processed in computer systems of companies or organizations with which SEB cooperates. Information regarding the processing of personal data is provided by SEB's office, which also receives requests for corrections of personal data. Address information may be collected from SEB through an automatic process provided by Euroclear Sweden.

Nordea

Investors in the Offering will submit personal data to Nordea. Personal data submitted to Nordea will be processed in data systems to the extent required to provide services and administer customers' affairs in Nordea. Personal data obtained from sources other than the customer to whom the data refers may also be processed. Personal data may also be processed in the data systems of companies or organisations with which Nordea cooperates.

As personal data controller, Nordea processes personal data in order to deliver the products and services agreed by the parties and for other purposes, including compliance with laws and other rules. For detailed information on the processing of personal data, refer also to Nordea's data protection policy available on Nordea's website (<https://www.nordea.com/en/privacy-policy>) or contact Nordea. The data protection policy contains information the rights of the registered individual in connection with the processing of personal data, such as the right to information, correction, data portability, etc.

Danske Bank

The person applying to acquire shares in the Offering will provide Danske Bank with personal data. Personal data that is submitted to Danske Bank, for example contact information and personal identity numbers or that is otherwise registered in connection with the preparation or administration of the offer, is treated by Danske Bank, which is responsible for the personal data, for administration and execution of the offer. Personal data which is received from other sources than customers could also be processed. Personal data could also be processed in a data system at companies which cooperate with Danske Bank. Treatment of personal data also occurs so that Danske Bank is able to fulfill their commitments according to applicable laws. Personal data might for certain purposes, with consideration to the regulations regarding bank secrecy, sometimes be distributed to other companies within the Danske Bank Group or to companies that Danske Bank cooperates with, within and outside the EU/EES in accordance with the precautions approved and

applied by the EU. In some cases, Danske Bank is also obliged by law to distribute personal data, for example to the Swedish Financial Supervisory Authority or the Swedish Tax Agency.

Swedbank

Anyone acquiring shares in the Offering will submit personal data to Swedbank. Personal data submitted to Swedbank will be processed in data systems to the extent required to provide services and administer customer arrangements in Swedbank. Personal data obtained from sources other than the customer to whom the data refers may also be processed. Personal data may also be processed in the data systems of companies or organizations with which Swedbank cooperates. Information about the processing of personal data is available from Swedbank's website or by contacting the customer service centre or a relevant Swedbank or Sparbanken branch. Address details may be obtained by Swedbank through an automatic procedure executed by Euroclear Sweden.

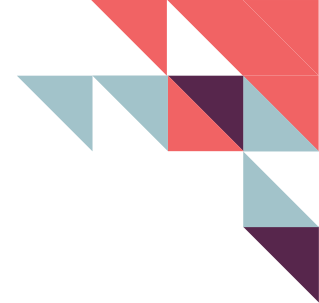
Nordnet

In connection with acquiring shares in the Offering through Nordnet's online service personal data may be submitted to Nordnet. Personal data submitted to Nordnet will be processed and stored in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from other than the customer in question may also be processed. The personal data may also be processed in the data systems of companies or organizations with which Nordnet cooperates. All relevant personal data will be deleted when the customer relationship ends, in accordance with applicable law. Information on processing of personal data is provided by Nordnet, which also accepts requests for correction of personal data. For further information on how Nordnet processes and stores personal data, please contact Nordnet's customer service, email: info@nordnet.se.

Avanza

Parties who acquire shares in the Offering will submit information to Avanza. The personal data submitted to Avanza will be processed in computer systems to the extent necessary to provide services and administer customer engagement. Personal data collected from other sources than the customer may also be processed. The personal data may also be processed in data systems of companies or organisations that Avanza cooperates with. Information regarding the processing of personal data is provided by Avanza, which also accepts requests for correction of personal data. For further information about Avanza's processing of personal data, see <https://www.avanza.se/sakerhet-villkor/behandling-av-personuppgifter.html> (in Swedish). Address information may be obtained by Avanza through an automated process carried out by Euroclear.

Pro forma financial statements



The pro forma financial statements, which describe a hypothetical situation, have been prepared for illustrative purposes to present a hypothetical illustration of how Sveafastigheter's acquisition of the shares in Hemvist (a joint venture in which Sveafastigheter previously was a co-owner) could have affected the Company's combined income statement for the financial year ended December 31, 2023 and the Company's consolidated income statement for the six-month period ended June 30, 2024 if the acquisition of the shares in Hemvist had been made as of January 1, 2023. The pro forma financial statements are not intended to describe the Company's actual financial position or results of operations. The pro forma financial statements do not necessarily reflect the Company's actual results of operations and financial position if the acquisition had been completed on the above-mentioned dates and the pro forma financial statements should not be considered as an indication of the Company's future results of operations or financial position. Accordingly, an investor should not place undue reliance on the pro forma financial statements. The pro forma financial statements should be read in conjunction with the sections "Selected financial information", "Operating and financial overview", "Capitalization, indebtedness and other financial information" and the Company's audited combined financial statements for the financial years ended December 31, 2023, 2022 and 2021, respectively, and the unaudited interim consolidated financial statement for the six months ended June 30, 2024 (with comparative figures for the corresponding period in 2023) as well as the related notes included in the section "Historical financial information".

Background

On May 30, 2024, it was announced that SBB had agreed with Kåpan Tjänstepension, Reg. No. 816400-4114 ("**Kåpan Pension**") to divide the jointly owned residential company Hemvist Förvaltning AB (formerly SBB Kåpan Bostad AB), of which the parties each owned 50 percent. Subsequently, on June 14, 2024, it was announced that the transaction was completed. Through the transaction, SBB took over 1,300 apartments spread over 12 properties totalling approximately 78,000 square meters and a building right of 6,000 square meters of light gross floor area. The properties are located in Stockholm, Nacka, Haninge, Västerås and Nykvarn, and had a market value of SEK 3.3 billion as of December 31, 2023.

The dissolution of Hemvist is a step towards streamlining and consolidating SBB's housing portfolio in Sveafastigheter.

The part of Hemvist Förvaltning AB, Reg. No. 559305-4934 ("**Hemvist**"), that SBB took over and which is now a part of Sveafastigheter consists of the following companies: Hemvist Focken 1 & 2 AB, Hemvist i Jordbro AB, Hemvist Järninge 2 AB, Hemvist Neptun 1 AB, Hemvist Nykvarn Kaffebryggaren 1 AB, Hemvist Ströpsta AB, Hemvist Vårholmen 6 AB, Hemvist Västerås Hydran 2 AB, Hemvist Västerås Najaden 2 AB, Sveafastigheter Bostad Gamla Landsvägen AB and Hemvist Västerås Najaden 3 AB (together, the "**Hemvist Companies**")

A pro forma report has been prepared for illustrative purposes to present a hypothetical illustration of how Sveafastigheter's acquisition of the shares in the Hemvist Companies could have affected the Company's combined income statement for the financial year ended December 31, 2023 and the Company's consolidated income statement for the six-month period ended June 30, 2024 if the acquisition of the remaining shares in Hemvist had been completed as of January 1, 2023.

The transaction was financed by bank loans (for details, see "*Financing expenses*" below).

The acquisition of Hemvist is expected to have a significant and direct impact on Sveafastigheter's results of operations and a pro forma financial statement has therefore been prepared.

Purpose of the pro forma financial statements

The purpose of the pro forma financial statements is to present the hypothetical impact that the transaction could have had on Sveafastigheter's:

- ▶ Combined income statement for the full year 2023 if the transaction was completed on January 1, 2023, and
- ▶ Consolidated income statement for the six-month period ended June 30, 2024 if the transaction was completed on January 1, 2023.



Investors should be aware that the hypothetical financial position and the hypothetical results set out in the pro forma financial statements may differ from what the corresponding information would have been in reality if the transaction had taken place at earlier occasions.

The pro forma financial statements should be read together with the other information in the Offering Circular.

The basis of the pro forma financial statements

Basis

The unaudited pro forma information in this Offering Circular has been prepared in accordance with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

The pro forma income statement for the financial year 2023 is based on:

- ▶ Sveafastigheter's audited income statement for 2023, which is derived from Sveafastigheter's audited combined income statement for the financial year 2023, as set out in the section "*Historical financial information*" in this Offering Circular.
- ▶ The Hemvist Companies' audited income statements for 2023, which have been derived from the Hemvist Companies' respective annual reports for the financial year 2023, adjusted for appropriations and income and expenses relating to previous periods.

The pro forma income statement for the interim period January 1 – June 30, 2024 is based on:

- ▶ Sveafastigheter's unaudited consolidated income statement for the interim period January 1 – June 30, 2024, which is derived from Sveafastigheter's unaudited consolidated income statement for the financial period January 1 – June 30, 2024, as set out in the section "*Historical financial information*" in this Offering Circular.
- ▶ The Hemvist Companies' unaudited income statements for the interim period from January 1 – June 30, 2024, as derived from the respective accounting systems of the Hemvist Companies for the financial period from January 1 – June 30, 2024.

Accounting principles and assumptions

Sveafastigheter

Sveafastigheter's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS as adopted by the EU). In addition, the Swedish Annual Accounts Act (1995:1554) (Sw. *årsredovisningslagen*) and RFR 1 – Supplementary Accounting Rules for groups have been applied. Assets and liabilities are accounted at purchase consideration except for investment properties and certain financial assets that are valued and recognized at fair value.

Sveafastigheter's unaudited consolidated income statement for the interim period January 1 – June 30, 2024 has been prepared in accordance with IAS 34

Interim Financial Reporting. In addition, the Swedish Annual Accounts Act and RFR 1 – Supplementary Accounting Rules for groups have been applied.

Hemvist

The Hemvist Companies' prepare their annual reports in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's (Sw. *Rådet för finansiell rapportering*) recommendation RFR 2 *Accounting for Legal Entities*. RFR 2 stipulates that the parent company in the annual accounts of a legal entity should apply all EU-approved international accounting standards and interpretations as far as possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between reporting and taxation. The recommendation specifies the exceptions and additions to be made to IFRS. The companies voluntarily apply RFR 2 *Accounting for Legal Entities* (January 2021) in accordance with the rules in BFNAR 2012:3 as the companies are subject to consolidated financial statements prepared in accordance with IFRS.

Pro forma financial statements

The pro forma financial statements have been prepared in accordance with Sveafastigheter's accounting principles as described in the note 1 in the section "*Historical financial information – Financial information for the period January–June 2024 – Notes*" and notes 1, 4, 5, 6, 8, 10, 11, 12, 13, 14, 16 and 17 in the section "*Historical financial information – Financial information for the financial years 2023, 2022 and 2021 – Notes*".

In connection with the pro forma financial statements, an analysis of the differences in the application of accounting principles between the Company and the Hemvist Companies has been carried out. The differences primarily relate to the accounting of investment properties. According to RFR 2, investment properties are subject to depreciated and impairment, while in accordance with the Company's applied accounting under IFRS, they are recognized at fair value. The following describes the adjustments made to the pro forma financial statements due to differences in accounting principles between the Hemvist Companies and the Company. When reference is made to the Company's accounting policies within the framework of the pro forma financial statements, the policies applied by the reporting entity Sveafastigheter are referred to in the above references.

- ▶ The adjustment for depreciations and impairments is SEK +27 million in the pro forma income statement for the period January 1, 2023 – December 31, 2023, which is reported in the item "*Administration*".
- ▶ The adjustment for depreciation is SEK +3 million in the pro forma income statement for the period January 1, 2024 – June 30, 2024, which is reported in the item "*Administration*". This adjustment in turn leads to an adjustment of the item "*Deferred tax*", amounting to SEK –1 million, with the assumption that Swedish corporate tax amounting to 20.6 percent is applied.



- ▶ The change in fair value amounts to SEK –294 million in the pro forma income statement for the period January 1, 2023 – December 31, 2023, which is reported in the item “Change in value of investment properties”.
- ▶ The change in fair value amounts to SEK +64 million in the pro forma income statement for the period January 1, 2024 – June 30, 2024, which is reported in the item “Change in value of investment properties”.
- ▶ Deferred tax adjusted for differences in accounting policies amounts to SEK +43 million in the pro forma income statement for the period January 1, 2023 – December 31, 2023, and is reported in the item deferred tax.

No synergies or integration costs have been taken into account in the pro forma financial statements. Furthermore, the pro forma financial statements include non-recurring costs directly related to the acquisition.

Further information on the outcome of the pro forma analysis is presented below in the section “Pro forma adjustments”.

Pro forma adjustments

The overall nature of the pro forma adjustments is described below. Further details are provided in the notes to the pro forma financial statements. All pro forma adjustments are recurrent unless otherwise stated.

Financial expenses

The acquisitions of the Hemvist Companies are financed by loans. For pro forma purposes, it has been assumed that the loans were raised on January 1, 2023. All loans have a fixed interest rate component, and most also have a floating interest rate component based on 3-month STIBOR. In addition to the interest rate, some of the loans have additional fees that are expensed over the term of the loans. Table A below provide details of the new financing assumed for pro forma purposes. The weighted average interest rate for pro forma purposes used for the pro forma income statement for the period January 1 – December 31, 2023 is 4.5 percent and 4.68 percent for the period January 1, 2024 – June 30, 2024.

Table A.

Assumed interest rate and interest expense for pro forma purposes used for the pro forma income statement for the period January 1, 2023 – December 31, 2023 and for the pro forma income statement for the period January 1, 2024 – June 30, 2024

| SEK million | January 1, 2023 – 31 December 31, 2023 | January 1 – June 13, 2024 |
|--------------------------------------|--|--|
| | Interest expense and other expenses in addition to interest related to the loans (SEK million) | Interest expense and other expenses in addition to interest related to the loans (SEK million) |
| Hemvist Neptun 1 AB | –3 | –2 |
| Hemvist Focken 1 & 2 AB | –8 | –4 |
| Hemvist Focken 1 & 2 AB | –7 | –4 |
| Hemvist i Jordbro AB | –25 | –13 |
| Hemvist i Järlinge 2 AB* | –6 | –3 |
| Hemvist Nykvarn Kaffebryggaren 1 AB* | –6 | –3 |
| Hemvist Vårholmen 6 AB* | –6 | –3 |
| Hemvist Västerås Hydran 2 AB | –7 | –4 |
| Hemvist Ströpsta AB | –2 | –1 |
| Total | –72 | –37 |

* *There is a loan agreement for these properties. For pro forma purposes, the loan amount has been allocated by one third to each property.

The Hemvist Companies are acquired on a debt-free basis and, therefore, all existing expenses related to borrowing are first reversed, and all expenses assumed for pro forma purposes relating to the new borrowings are added.

In the pro forma income statement for the period January 1, 2023 – December 31, 2023, existing interest expenses and similar income statement items in the Hemvist Companies are reversed, resulting in a pro forma adjustment of SEK +145 million. Thereafter, interest expenses and similar income statement items for the new borrowing will be added, resulting in a pro forma adjustment of SEK –72 million.

In the pro forma income statement for the period January 1, 2024 – June 30, 2024, existing interest expenses and similar income statement items in the

Hemvist Companies are reversed, resulting in a pro forma adjustment of SEK +73 million. Thereafter, interest expenses and similar income statement items for the new borrowing will be added, resulting in a pro forma adjustment of SEK –37 million.

Taxes

Appropriations amounting to SEK –14 million that have been reported in the Hemvist Companies are reversed in the pro forma income statement for the period January 1, 2023 – December 31, 2024, as this item will not be charged the Company going forward. The tax effect of this adjustment amounts to SEK –3 million, which therefore affects the item “Current tax” by the corresponding amount. The assumed tax rate is 20.6 percent.



Deferred tax is adjusted by SEK –1 million in the pro forma income statement for the period January 1, 2023 – December 31, 2023 and SEK –1 million in the pro forma income statement for the period January 1, 2024 – June 30, 2024. Due to tax adjustments of interest, the Hemvist

Companies are in a tax position where they have to add back interest expenses, resulting in an increase in taxable income. This increase leads to the Hemvist Companies utilizing a larger portion of their opening tax deficit. As a result, their deferred tax assets decrease.

Pro forma income statement for the period January 1, 2023 – December 31, 2023

| SEK million | Audited | Unaudited | Unaudited | Unaudited | Notes | Pro forma Sveafastigheter January 1 – December 31, 2023 IFRS |
|--|--|---|---|-----------------------|-------|--|
| | Sveafastigheter January 1 – December 31, 2023 IFRS | The Hemvist Companies January 1 – December 31, 2023 (see table 1 below) RFR2* | Adjustments due to differences in accounting principles | Pro forma adjustments | | |
| Rental income | 1,126 | 100 | | | | 1,226 |
| Property expenses | | | | | | |
| Operating expenses | -342 | -22 | | | | -363 |
| Maintenance | -80 | -8 | | | | -88 |
| Property tax | -20 | -1 | | | | -21 |
| Total property expenses | -441 | -31 | 0 | 0 | | -472 |
| Net operating result | 685 | 69 | 0 | 0 | | 754 |
| Other income from property management | 34 | - | | -14 | 1 | 20 |
| Administration | -217 | -41 | 27 | 14 | 2 | -217 |
| Result before financial items and unrealized changes in property value and goodwill | 503 | 27 | 27 | 0 | | 556 |
| Change in value of investment properties | -4,704 | - | -294 | | | -4,999 |
| Write-down of goodwill | -24 | - | | | | -24 |
| Operating income | -4,225 | 27 | -267 | 0 | | -4,465 |
| Result from joint ventures and associated companies | -322 | 0 | | 322 | 3 | 0 |
| Interest income and similar profit/loss items | 9 | 9 | | -9 | 4 | 9 |
| Interest expenses and similar profit/loss items | -464 | -145 | | 73 | 5 | -536 |
| Land lease agreements | -2 | -5 | | | | -7 |
| Change in value of financial instruments | -57 | - | | | | -57 |
| Profit/loss before tax | -5,061 | -113 | -267 | 386 | | -5,055 |
| Current tax | -23 | -1 | | -3 | 6 | -27 |
| Deferred tax | 700 | -3 | 43 | -1 | 7 | 739 |
| PROFIT/LOSS FOR THE PERIOD | -4,384 | -117 | -224 | 382 | | -4,344 |

* The income statement for the Hemvist Companies has been adjusted to correspond to Sveafastigheter's presentation.

Notes to the pro forma income statement January 1, 2023 – December 31, 2023

1. The item "Other income from property management" is adjusted by SEK –14 million. The amount consists of the following adjustments:

- Administration attributable to the various Hemvist Companies amounting to SEK –14 million, which is considered as intra-group from the acquisition date, assumed in the pro forma income statement to be January 1, 2023. (For further information, see table 2 below.)
- The item "Administration" is adjusted by SEK +14 million. The amount consists of the following adjustments:
 - Administration attributable to the various Hemvist Companies amounting to SEK +14 million, which is considered as intra-group as of the acquisition date, assumed in the pro forma income statement to be January 1, 2023. (For further information, see table 2 below.)
- The item "Results from joint ventures and associated companies" is adjusted by SEK +322 million. This amount is reversed as the reported share of profit/loss of SEK

–322 million included in Sveafastigheter for the historical period will no longer impact the income statement due to the completion of the transaction, which for pro forma purposes is January 1, 2023. This pro forma adjustment is of a non-recurring nature.

- The item "Interest income and similar income items" are adjusted by SEK -9 million. This amount is reversed as it relates to intra-group interest income and similar income items that will not affect the income statement going forward. This pro forma adjustment is of a one-off nature.
- The item "Interest expenses and similar income statement items" is adjusted by SEK +73 million. The amount consists of the following adjustments:
 - Existing interest expenses and similar income statement items in the Hemvist Companies are reversed, resulting in a pro forma adjustment of SEK +145 million. This pro forma adjustment is of a one-off nature.
 - Interest expenses and similar income statement items for the new borrowing will be added, resulting in a pro forma adjustment of SEK –72 million.



Table 1. Details of how each Hemvist Company contributes to the overall sum of the Hemvist Companies' total income statement (visible in the pro forma income statement for the period January 1, 2023 – December 31, 2023).

| January 1 – December 31, 2023 | | | | | | | | | | | | | | The Hemvist Companies in total, reported in the internal consolidation systems/ RFR2* |
|--|---------------------------------|------------------------------|------------------------------|-----------------------------|---|-----------------------------|--------------------------------|--------------------------------------|---------------------------------------|--|---------------------------------------|-------------|-------|--|
| SEK million | Hemvist Focken 1 & 2 AB RFR2 | Hemvist i Jordbro AB RFR2 | Hemvist Järinge 2 AB RFR2 | Hemvist Neptun 1 AB RFR2 | Hemvist Nykvarn Kaffebryggaren 1 AB RFR2 | Hemvist Ströpsta AB RFR2 | Hemvist Vårholmen 6 AB RFR2 | Hemvist Västerås Hydran 2 AB RFR2 | Hemvist Västerås Najaden 2 AB RFR2 | Sveafastigheter Bostad Gamla Landsvägen AB RFR2 | Hemvist Västerås Najaden 3 AB RFR2 | Adjustments | Notes | |
| Rental income | 25 | 6 | 6 | 17 | 12 | 11 | 12 | 11 | 1 | - | - | 0 | | 100 |
| Property expenses | | | | | | | | | | | | | | |
| Operating expenses | -6 | -1 | -2 | -4 | -5 | -3 | -4 | -3 | -1 | -1 | 0 | 8 | *** | -22 |
| Maintenance | -2 | 0 | -1 | -1 | -2 | -1 | -1 | 0 | 0 | - | - | 0 | | -8 |
| Property tax | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | 0 | | -1 |
| Total property expenses | -8 | -1 | -3 | -5 | -7 | -4 | -5 | -3 | -1 | -1 | 0 | 8 | | -31 |
| Net operating result | 17 | 5 | 2 | 12 | 5 | 7 | 7 | 8 | 0 | -1 | 0 | 8 | | 69 |
| Other income from property management | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Administration | -6 | -2 | -2 | -5 | -13 | -1 | -3 | -3 | -1 | 0 | -4 | -2 | *** | -41 |
| Result before financial items and unrealized changes in property value and goodwill | 11 | 3 | 1 | 7 | -8 | 6 | 4 | 5 | -1 | -1 | -4 | 6 | | 27 |
| Change in value of investment properties | - | - | - | - | - | - | - | - | - | - | - | - | | 0 |
| Write-down of goodwill | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Operating income | 11 | 3 | 1 | 7 | -8 | 6 | 4 | 5 | -1 | -1 | -4 | 6 | | 27 |
| Result from joint ventures and associated companies | - | - | - | - | - | - | - | - | - | - | - | - | | 0 |
| Interest income and similar profit/loss items | 0 | 4 | 1 | 0 | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | *** | 9 |
| Interest expenses and similar profit/loss items | -18 | -63 | -3 | -7 | -11 | -14 | -8 | -9 | -11 | 0 | -6 | 4 | *** | -145 |
| Land lease agreements | - | - | - | - | - | - | - | - | - | - | - | -5 | *** | -5 |
| Change in value of financial instruments | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| Profit/loss before tax | -7 | -56 | -2 | 0 | -18 | -8 | -3 | -3 | -12 | -1 | -10 | 6 | | -113 |
| Appropriations | -5 | -3 | 1 | -3 | 2 | -5 | 2 | -4 | 1 | 0 | 0 | 14 | **5 | 0 |
| Current tax | - | - | 0 | - | -1 | 0 | - | 0 | 0 | 0 | - | 0 | | -1 |
| Deferred tax | -1 | 0 | 0 | 0 | -1 | 0 | -1 | 0 | 0 | - | 0 | 0 | | -3 |
| PROFIT/LOSS FOR THE PERIOD | -13 | -59 | -1 | -4 | -18 | -13 | -2 | -7 | -11 | -1 | -10 | 20 | | -117 |

* The income statement for the Hemvist Companies has been adjusted to correspond to Sveafastigheter's presentation.

** The item "Appropriations" does not appear in Sveafastigheter's income statement, but is included to illustrate the pro forma adjustment for the Hemvist Companies.

*** Adjustments have been made to expenses included in operating expenses, administration and interest expenses and similar profit/loss items that relate to prior periods. Adjustments have also been made for income included in interest income and similar profit/loss items that are related to previous periods. Furthermore, an adjustment has been made regarding expenses for land lease agreements as these are not reported on a separate line in the annual reports of the Hemvist Companies.

- The item "Appropriations for the financial statements" amounting to SEK -14 million that have been booked in the Hemvist Companies are reversed since this item will not be charged to the Company in the future. Note that the item Appropriations for the financial statements does not exist in Sveafastigheter's financial statements, but is included to illustrate the pro forma adjustment for the Hemvist Companies. The tax effect of this adjustment amounts to SEK -3 million, affecting the item "Current tax" by the corresponding amount. The assumed tax rate is 20.6 percent.
- Deferred tax is adjusted by SEK -1 million. Due to tax adjustments of interest, the Hemvist Companies are in a tax position where they have to add back interest expenses, resulting in an increase in taxable profit. This increase leads to the Hemvist Companies utilizing a larger portion of their opening tax deficit. As a result, their deferred tax assets decrease.

Table 2. Details of administration expenses that, according to the assumptions in the pro forma financial statements, are considered as intra-group during the period January 1, 2023 – December 31, 2023).

| January 1 – December 31, 2023 | | | | | | | | | | | | | | Elimination of intercompany income in Sveafastigheter Bostad AB |
|-------------------------------|-------------------------|----------------------|----------------------|---------------------|-------------------------------------|---------------------|------------------------|------------------------------|-------------------------------|--|-------------------------------|-------------|-------|---|
| SEK million | Hemvist Focken 1 & 2 AB | Hemvist i Jordbro AB | Hemvist Järinge 2 AB | Hemvist Neptun 1 AB | Hemvist Nykvarn Kaffebryggaren 1 AB | Hemvist Ströpsta AB | Hemvist Vårholmen 6 AB | Hemvist Västerås Hydran 2 AB | Hemvist Västerås Najaden 2 AB | Sveafastigheter Bostad Gamla Landsvägen AB | Hemvist Västerås Najaden 3 AB | Adjustments | Notes | |
| Administration expenses | 2.9 | 1.8 | 0.8 | 2.3 | 1.9 | 1.4 | 1.2 | 1.0 | 1.2 | -0.6 | - | | | 13.9 |



Pro forma income statement for the period January 1, 2024 – June 30, 2024

| SEK million | Unaudited | Unaudited | Unaudited | Unaudited | Notes | Pro forma Sveafastigheter January 1 – June 30, 2024 IFRS |
|--|--|---|---|-----------------------|------------|--|
| | Sveafastigheter January 1 – June 30, 2024 IFRS | The Hemvist Companies January 1 – June 13, 2024 (see table 3 below) RFR2* | Adjustments due to differences in accounting principles | Pro forma adjustments | | |
| Rental income | 652 | 57 | | | | 709 |
| Property expenses | | | | | | |
| Operating expenses | -220 | -14 | | | | -234 |
| Maintenance | -29 | -4 | | | | -33 |
| Property tax | -10 | -1 | | | | -12 |
| Total property expenses | -260 | -19 | | | | -279 |
| Net operating result | 392 | 38 | | | | 430 |
| Other income from property management | 35 | - | | -8 | 1 | 27 |
| Administration | -150 | -12 | | 3 | 8 | -150 |
| Result before financial items and unrealized changes in property value and goodwill | 277 | 26 | | 3 | 0 | 306 |
| Change in value of investment properties | -1,116 | - | | 64 | | -1,051 |
| Write-down of goodwill | -0 | - | | | | 0 |
| Operating income | -839 | 26 | | 68 | 0 | -745 |
| Result from joint ventures and associated companies | 95 | - | | -95 | 3 | 0 |
| Interest income and similar profit/loss items | 2 | 11 | | -11 | 4 | 2 |
| Interest expenses and similar profit/loss items | -286 | -73 | | 36 | 5 | -323 |
| Land lease agreements | -1 | -4 | | | | -5 |
| Change in value of financial instruments | -22 | - | | | | -22 |
| Profit/loss before tax | -1,051 | -41 | | 68 | -69 | -1,093 |
| Current tax | -32 | 0 | | | | -32 |
| Deferred tax | 41 | - | | -1 | 6 | 40 |
| PROFIT/LOSS FOR THE PERIOD | -1,042 | -41 | | 68 | -70 | -1,085 |

* The income statement for the Hemvist Companies has been adjusted to correspond to Sveafastigheter's presentation.

Notes to the pro forma income statement January 1, 2024 – June 30, 2024

- The item "Other income from property management" is adjusted by SEK -8 million. The amount consists of the following adjustments:
 - Administration attributable to the various Hemvist Companies amounting to SEK -8 million, which is considered as intra-group from the acquisition date, assumed in the pro forma income statement to be January 1, 2023. For further information, see table 4 below.
- Administration is adjusted by SEK +8 million. The amount consists of the following adjustments:
 - Administration attributable to the various Hemvist Companies amounting to SEK +8 million, which is considered as intra-group from the acquisition date, assumed in the pro forma income statement to be January 1, 2023. For further information, see table 4 below.
- The item "Results from joint ventures and associated companies" is adjusted by SEK -95 million. This amount is reversed as the reported share of profit/loss of SEK +95 million included in Sveafastigheter for the historical period will no longer impact the income statement due to the completion of the transaction, which for pro forma purposes is January 1, 2023. This pro forma adjustment is of a non-recurring nature.
- The item "Interest income and similar income items" are adjusted by SEK -11 million. This amount is reversed as it relates to intra-group interest income and similar income items that will not affect the income statement going forward. This pro forma adjustment is of a one-off nature.
- The item "Interest expenses and similar profit/loss items" is adjusted by SEK +36 million. The amount consists of the following adjustments:
 - Existing interest expenses and similar income statement items in the Hemvist Companies are reversed, resulting in a pro forma adjustment of SEK +73 million. This pro forma adjustment is of a one-off nature.
 - Interest expenses and similar income statement items for the new borrowing will be added, resulting in a pro forma adjustment of SEK -37 million.
- Deferred tax is adjusted by SEK -1 million. Due to tax adjustments of interest, the Hemvist Companies are in a tax position where they have to add back interest expenses, resulting in an increase in taxable profit. This increase leads to the Hemvist Companies utilizing a larger portion of their opening tax deficit. As a result, their deferred tax assets decrease.



Table 3. Details of how each of the Hemvist Companies contribute to the overall sum of the Hemvist companies' total income statement (visible in the pro forma income statement for the period January 1, 2024 – June 30, 2024).

| January 1 – June 13, 2024 | | | | | | | | | | | | |
|--|------------------------------------|---------------------------------|---------------------------------|--------------------------------|---|--------------------------------|-----------------------------------|--|---|--|---|---|
| SEK million | Hemvist Focken 1 & 2 AB RFR2 | Hemvist i Jordbro AB RFR2 | Hemvist Järinge 2 AB RFR2 | Hemvist Neptun 1 AB RFR2 | Hemvist Nykvarn Kaffe- bryggaren 1 AB RFR2 | Hemvist Ströpsta AB RFR2 | Hemvist Vårholmen 6 AB RFR2 | Hemvist Västerås Hydran 2 AB RFR2 | Hemvist Västerås Najaden 2 AB RFR2 | Sveafastigheter Bostad Gamla Landsvägen AB RFR2 | Hemvist Västerås Najaden 3 AB RFR2 | The Hemvist Companies in total* RFR2 |
| Rental income | 11 | 14 | 2 | 7 | 6 | 7 | 5 | 4 | 1 | 0 | 0 | 57 |
| Property expenses | | | | | | | | | | | | |
| Operating expenses | -2 | -3 | -1 | -1 | -2 | -2 | -1 | -1 | -1 | - | 0 | -14 |
| Maintenance | -1 | 0 | 0 | -1 | 0 | 0 | -1 | 0 | 0 | - | - | -4 |
| Property tax | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | -1 |
| Total property expenses | -4 | -3 | -2 | -2 | -2 | -2 | -1 | -2 | -1 | 0 | 0 | -19 |
| Net operating result | 7 | 10 | 0 | 5 | 3 | 4 | 4 | 3 | 1 | 0 | 0 | 38 |
| Other income from property management | - | - | - | - | - | - | - | - | - | - | - | - |
| Administration | -2 | -2 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | 0 | 0 | -12 |
| Result before financial items and unrealized changes in property value and goodwill | 5 | 8 | -1 | 4 | 2 | 4 | 3 | 2 | 0 | 0 | 0 | 26 |
| Change in value of investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Write-down of goodwill | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating income | 5 | 8 | -1 | 4 | 2 | 4 | 3 | 2 | 0 | 0 | 0 | 26 |
| Result from joint ventures and associated companies | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest income and similar profit/loss items | 0 | 4 | 0 | 0 | 1 | 1 | 1 | 1 | 2 | 0 | 0 | 11 |
| Interest expenses and similar profit/loss items | -9 | -33 | -2 | -3 | -5 | -7 | -3 | -4 | -5 | 0 | -4 | -73 |
| Land lease agreements | -1 | - | 0 | 0 | - | - | 0 | 0 | -1 | -2 | - | -4 |
| Change in value of financial instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit/loss before tax | -4 | -22 | -2 | 0 | -2 | -3 | -1 | -1 | -4 | -2 | -3 | -41 |
| Current tax | - | - | - | - | - | 0 | - | - | 0 | 0 | - | 0 |
| Deferred tax | - | - | - | - | - | - | - | - | - | - | - | - |
| PROFIT/LOSS FOR THE PERIOD | -4 | -22 | -2 | 0 | -2 | -2 | -1 | -1 | -4 | -2 | -3 | -41 |

* The income statement for the Hemvist Companies has been adjusted to correspond to Sveafastigheter's presentation.

Table 4. Details of administration that, according to the assumptions in the pro forma financial statements, are considered as intra-group during the period January 1, 2023 – June 30, 2024.

| January 1 – June 13, 2024 | | | | | | | | | | | | |
|---------------------------|----------------------------|-------------------------|-------------------------|------------------------|---|------------------------|---------------------------|------------------------------------|-------------------------------------|--|-------------------------------------|---|
| SEK million | Hemvist Focken 1 & 2 AB | Hemvist i Jordbro AB | Hemvist Järinge 2 AB | Hemvist Neptun 1 AB | Hemvist Nykvarn Kaffe- bryggaren 1 AB | Hemvist Ströpsta AB | Hemvist Vårholmen 6 AB | Hemvist Västerås Hydran 2 AB | Hemvist Västerås Najaden 2 AB | Sveafastigheter Bostad Gamla Landsvägen AB | Hemvist Västerås Najaden 3 AB | Elimination of intercompany income in Sveafastigheter Bostad AB |
| Administration expenses | 1.5 | 2.5 | 0.4 | 0.7 | 0.9 | 0.7 | 0.5 | 0.5 | 0.6 | 0.2 | | 8.4 |



Auditor's report on pro forma financial statements



Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of Sveafastigheter AB (publ), corporate identity number 559449-4329

Report on the compilation of pro forma financial information included in the Offering Circular

We have completed our assurance engagement to report on the compilation of pro forma financial information of Sveafastigheter AB (publ) ("the Company") by the Board of Directors. The pro forma financial information consists of the pro forma income statement for the financial year ended 31 December 2023 and for the six-month period ended 30 June 2024 and related notes as set out on pages 37–43 in the Offering Circular issued by the Company. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Delegated Regulation (EU) 2019/980 and described on pages 37–43 in the Offering Circular.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the acquisition of Hemvist Focken 1 & 2 AB, Hemvist i Jordbro AB, Hemvist Järinge 2 AB, Hemvist Neptun 1 AB, Hemvist Nykvarn Kaffebruggaren 1 AB, Hemvist Ströpsta AB, Hemvist Vårholmen 6 AB, Hemvist Västerås Hydran 2 AB, Hemvist Västerås Najaden 2 AB, Sveafastigheter Bostad Gamla Landsvägen AB and Hemvist Västerås Najaden 3 AB (together, the "Hemvist Companies") on the Company's financial performance for the financial year ended 31 December 2023 and for the six-month period ended 30 June 2024 as if the acquisitions had taken place at 1 January 2023. As part of this process, information about the Company's financial position and financial performance has been extracted by the Board of Directors from the Company's combined financial statements for the financial period ended 31 December 2023, on which an auditor's report has been published, and from the Company's financial statements for the six-month period ended 30 June 2024, on which an auditor's review report has been published. Further, information about the Hemvist Companies financial position and financial performance has been extracted by the Board of Directors from each respective company's audited financial statements for the financial period ended 31 December 2023 and from unaudited financial information from the respective internal accounting records for the six-month period ended 30 June 2024.

Responsibilities of the Board of Directors for the pro forma financial information

The Board of Directors is responsible for compiling the pro forma financial information in accordance with the requirements of the Delegated Regulation (EU) 2019/980.

Our independence and quality control

We have complied with the independence and other ethical requirements in Sweden, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express an opinion about whether the pro forma information, in all material respects, has been compiled correctly by the Board of Directors in accordance with the Delegated Regulation (EU) 2019/980, on the bases given and that these bases are consistent with the Company's accounting policies.



We have conducted the 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 auditor plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information in accordance with the delegated regulation.

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 pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on the Company's unadjusted financial information as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 January 2023 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors 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 and appropriate audit evidence about whether:

- The pro forma adjustments have been compiled correctly on the specified basis.
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.
- The stated basis comply with the Company's accounting policies.

The procedures selected depend on the auditor's judgment, having regard to his or hers understanding of 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 the pro forma financial information has been compiled, in all material respects, on the bases stated on pages 37–43 and these bases are consistent with the accounting policies applied by the Company.

Stockholm, 7 October 2024

Ernst & Young AB

Jonas Svensson
Authorized Public Accountant



THE FOLLOWING INFORMATION DOES NOT CONSTITUTE PRO FORMA INFORMATION AND HAS NOT BEEN REVIEWED BY THE COMPANY'S AUDITORS

Stand-alone adjustments for Sveafastigheter

The table below is included in the Offering Circular with the purpose to disclose certain stand-alone adjustments for Sveafastigheter, including in relation to property expenses, other income and administration, based on Sveafastigheter's (i) unaudited pro forma income statements for the financial year ended December 31, 2023 and the six-month period ended June 30, 2024 and (ii) combined financial statement for the period January 1, 2023 – June 30, 2023 included in the Company's unaudited interim consolidated financial statement for the six months ended June 30, 2024 (as further specified below) ("**Stand-alone Sveafastigheter**").

The purposes of the stand-alone adjustments are to illustrate the estimated effects of becoming a stand-alone listed entity instead of an indirectly wholly-owned subsidiary to SBB. The stand-alone information should not be considered as an indication of the Company's future results of operations or financial position. Accordingly, an investor should not place undue reliance on the information, and it should be read in conjunction with the pro forma financial statements contained in this section as well as the sections "Selected financial information", "Operating and financial overview", "Capitalization, indebtedness and other financial information" and the Company's audited combined financial statements for the financial years ended December 31, 2023, 2022 and 2021, respectively, and the unaudited interim consolidated financial statement for the six months ended June 30, 2024 (with comparative figures for the corresponding period in 2023) as well as the related notes included in the section "Historical financial information".

Based on unaudited pro forma income statement for the financial year ended December 31, 2023

| SEK million | Full year 2023 | Adjustments | Stand-alone |
|---|----------------|-------------------|-------------|
| Rental income | 1,226 | – | 1,226 |
| Operating costs | –363 | 7 ¹⁾ | –356 |
| Maintenance costs | –88 | – | –88 |
| Property tax | –21 | – | –21 |
| Property expenses | –472 | 7 | –465 |
| Net operating income | 754 | 7 | 761 |
| Other income | 20 | 33 ²⁾ | 53 |
| Administration | –217 | –10 ³⁾ | –227 |
| Result before financial items and unrealized changes in property value | 556 | 30 | 587 |

1) The assumed reduction of "Operating costs" is related to replacing external suppliers with Sveafastigheter's own personnel.

2) The adjustment in "Other income" is driven by the fact that the acquired part of Hemvist is responsible for providing operational services to all Hemvist entities including those not acquired by the Company. In the stand-alone scenario, these services are assumed to cease and are excluded from "Other income" in the table above and amounts to SEK –34 million. The aforementioned company providing the services is excluded in the stand-alone scenario. Hence, transactions previously regarded as internal between Hemvist entities and the aforementioned company should now be seen as external and should not be eliminated, resulting in a reversal of the intercompany flow elimination amounting to SEK 14 million. In addition, there is an increase of "Other income" due to the property management agreement, as described below, of the Morgan Stanley portfolio, amounting to SEK 53 million.

3) The net increase in "Administration" is driven by (i) increased "Property administration" by SEK –31 million driven by a higher cost base due to the implementation of Sveafastigheter's own property administration systems within the Group as the Company will no longer be part of the system environment within SBB as a stand-alone company, (ii) a reduction in "Central administration" relating to assumed efficiency gains in relation to administration costs due to an expected higher degree of efficiency in the Sveafastigheter organization as a result of Sveafastigheter being a purely residential focused company compared to the diversified business model of SBB, amounting to SEK 21 million. Part of the amount relates to an increase of central administration costs related to the management of the property portfolio of the joint venture company that SBB owns together with Morgan Stanley. The management of the property portfolio is carried out by the Sveafastigheter organization based on a contractual agreement between SBB and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also "Legal considerations and supplementary information – Material agreements – Property management agreement").

Based on unaudited pro forma income statement for the six-month period ended June 30, 2024

| SEK million | January 1, 2024 – June 30, 2024 | Adjustments | Stand-alone |
|---|---------------------------------|------------------|-------------|
| Rental income | 709 | –1 ¹⁾ | 708 |
| Operating costs | –234 | 3 ²⁾ | –230 |
| Maintenance costs | –33 | – | –33 |
| Property tax | –12 | – | –12 |
| Property expenses | –279 | 3 | –275 |
| Net operating income | 430 | 3 | 433 |
| Other income | 27 | –1 ³⁾ | 26 |
| Administration | –150 | 37 ⁴⁾ | –113 |
| Result before financial items and unrealized changes in property value | 306 | 39 | 346 |

1) Relates to other reallocations of "Other income" to "Rental Income" of SEK 1 million.

2) The assumed reduction of "Operating costs" is related to replacing external suppliers with own personnel.

3) The adjustment in "Other income" is driven by the fact that the acquired part of Hemvist is responsible for providing operational services to all Hemvist entities including those not acquired by the Company. In the stand-alone scenario these services are assumed to cease and are excluded from "Other income" in the table above and amounts to SEK –14 million. The aforementioned company providing the services is excluded in the stand-alone scenario. Hence, transactions previously regarded as internal between Hemvist entities and the aforementioned company should now be seen as external and should not be eliminated, resulting in a reversal of the intercompany flow elimination amounting to SEK 8 million. In addition, there is an increase of other income due to the property management agreement, as described below, of the Morgan Stanley portfolio, amounting to SEK 4 million, as well as a reallocation of "Other Income" to "Rental Income" of SEK 1 million.

4) The net decrease in administration is driven by (i) decreased "Property administration" by SEK 3 million driven by a lower cost base due to the implementation of Sveafastigheter's own property administration systems within the Group as the Company will no longer be part of the system environment within SBB as a stand-alone company, (ii) a reduction in "Central administration" relating to assumed efficiency gains in relation to administration costs due to an expected higher degree of efficiency in the Sveafastigheter organization as a result of Sveafastigheter being a purely residential focused company compared to the diversified business model of SBB, amounting to SEK 34 million. Part of the amount relates to an increase of central administration costs related to the management of the property portfolio of the joint venture company that SBB owns together with Morgan Stanley. The management of the property portfolio is carried out by the Sveafastigheter organization based on a contractual agreement between SBB and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also "Legal considerations and supplementary information – Material agreements – Property management agreement").



The period June 30, 2023 – June 30, 2024, which is calculated based on the financial statements included in the Company's unaudited interim combined financial statements as of June 30, 2024

| SEK million | June 30, 2023 – June 30, 2024 | SEK million | Stand-alone |
|---|-------------------------------|-------------------|-------------|
| Rental income | 1,236 | 113 ¹⁾ | 1,349 |
| Operating costs | -384 | -18 ²⁾ | -402 |
| Maintenance costs | -70 | -8 ³⁾ | -78 |
| Property tax | -20 | -2 ⁴⁾ | -22 |
| Property expenses | -474 | -28 | -502 |
| Net operating income | 762 | 85 | 848 |
| Other income | 53 | -0 ⁵⁾ | 53 |
| Administration | -286 | 59 ⁶⁾ | -227 |
| Result before financial items and unrealized changes in property value | 529 | 145 | 673 |

- 1) Relates to i) other reallocations of "Other income" to "Rental Income" of SEK 1 million, ii) a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Rental income" for the period by SEK 114 million. For further information, see section "Pro forma financial statements".
- 2) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Operating costs" for the period by SEK -25 million. Additionally external suppliers are assumed to be replaced by own personnel, reducing the costs by SEK 7 million.
- 3) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Maintenance costs" for the period by SEK -8 million.
- 4) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Property tax" for the period by SEK -2 million.
- 5) The adjustment in "Other income" is driven by the fact that the acquired part of Hemvist is responsible for providing operational services to all Hemvist entities including those not acquired by the Company. In the stand-alone scenario these services are assumed to cease and are excluded from "Other income" in the table above and amounts to SEK -31 million. In addition, there is an increase of "Other income" due to the property management agreement of the Morgan Stanley portfolio, amounting to SEK 30 million, and other reallocations of "Other income" to "Rental Income" of SEK 1 million.
- 6) The net decrease in administration is driven by (i) increased "Property administration" by SEK -12 million driven by a higher cost base due to the implementation of Sveafastigheter's own property administration systems within the Group as the Company will no longer be part of the system environment within SBB as a stand-alone company, (ii) a reduction in "Central administration" relating to assumed efficiency gains in relation to administration costs due to an expected higher degree of efficiency in the Sveafastigheter organization as a result of Sveafastigheter being a purely residential focused company compared to the diversified business model of SBB, amounting to SEK 72 million. Part of the amount relates to an increase of central administration costs related to the management of the property portfolio of the joint venture company that SBB owns together with Morgan Stanley. The management of the property portfolio is carried out by the Sveafastigheter organization based on a contractual agreement between SBB and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also "Legal considerations and supplementary information – Material agreements – Property management agreement").

Based on the financial statement for the period April 1, 2024 – June 30, 2024 included in the Company's unaudited interim combined financial statements

| SEK million | April 1, 2024 – June 30, 2024 | Adjustments | Stand-alone |
|---|-------------------------------|------------------|-------------|
| Rental income | 340 | 23 ¹⁾ | 362 |
| Operating costs | -96 | -3 ²⁾ | -99 |
| Maintenance costs | -11 | 4 ³⁾ | -7 |
| Property tax | -5 | -0 ⁴⁾ | -6 |
| Property expenses | -113 | 1 | -112 |
| Net operating income | 227 | 23 | 250 |
| Other income | 17 | -4 ⁵⁾ | 13 |
| Administration | -89 | 32 ⁶⁾ | -57 |
| Result before financial items and unrealized changes in property value | 155 | 51 | 207 |

- 1) Relates to i) other reallocations of "Other income" to "Rental Income" of SEK 1 million, ii) A hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Rental income" for the period by SEK 24 million. For further information, see section "Pro forma financial statements".
- 2) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Operating costs" for the period by SEK -5 million. Additionally external suppliers are assumed to be replaced by own personnel, reducing the costs by SEK 2 million.
- 3) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Maintenance costs" for the period by SEK 4 million.
- 4) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Property tax" for the period by SEK -0 million.
- 5) The adjustment in "Other income" is driven by the fact that the acquired part of Hemvist is responsible for providing operational services to all Hemvist entities including those not acquired by the Company. In the stand-alone scenario these services are assumed to cease and are excluded from "Other income" in the table above and amounts to SEK -7 million. In addition, there is an increase of "Other income" due to the property management agreement of the Morgan Stanley portfolio, amounting to SEK 2 million, and other reallocations of "Other income" to "Rental Income" of SEK 1 million.
- 6) The decrease in administration is driven by (i) decreased "Property administration" by SEK 3 million driven by a lower cost base due to the implementation of Sveafastigheter's own property administration systems within the Group as the Company will no longer be part of the system environment within SBB as a stand-alone company, (ii) a reduction in "Central administration" relating to assumed efficiency gains in relation to administration costs due to an expected higher degree of efficiency in the Sveafastigheter organization as a result of Sveafastigheter being a purely residential focused company compared to the diversified business model of SBB, amounting to SEK 30 million. Part of the amount relates to an increase of central administration costs related to the management of the property portfolio of the joint venture company that SBB owns together with Morgan Stanley. The management of the property portfolio is carried out by the Sveafastigheter organization based on a contractual agreement between SBB and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also "Legal considerations and supplementary information – Material agreements – Property management agreement").

Based on the financial statement for the period January 1, 2023 – June 30, 2023 included in the Company's unaudited interim combined financial statements

| SEK million | January 1, 2023 – June 30, 2023 | Adjustments | Stand-alone |
|---|---------------------------------|-------------------|-------------|
| Rental income | 542 | 43 ¹⁾ | 585 |
| Operating costs | -177 | -7 ²⁾ | -185 |
| Maintenance costs | -39 | -4 ³⁾ | -43 |
| Property tax | -10 | -1 ⁴⁾ | -10 |
| Property expenses | -226 | -12 | -238 |
| Net operating income | 317 | 31 | 347 |
| Other income | 16 | 10 ⁵⁾ | 26 |
| Administration | -81 | -33 ⁶⁾ | -113 |
| Result before financial items and unrealized changes in property value | 252 | 8 | 260 |

- 1) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Rental income" for the period by SEK 43 million. For further information, see section "Pro forma financial statements".
- 2) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Operating costs" for the period by SEK -11 million. Additionally external suppliers are assumed to be replaced by own personnel, reducing the costs by SEK 3 million.
- 3) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Maintenance costs" for the period by SEK -4 million.
- 4) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Property tax" for the period by SEK -1 million.
- 5) The adjustment in "Other income" is driven by the fact that the acquired part of Hemvist is responsible for providing operational services to all Hemvist entities including those not acquired by the Company. In the stand-alone scenario these services are assumed to cease and are excluded from "Other income" in the table above and amounts to SEK -16 million. In addition, there is an increase of "Other income" due to the property management agreement of the Morgan Stanley portfolio, amounting to SEK 26 million.
- 6) The increase in administration is driven by (i) increased "Property administration" by SEK -16 million driven by a higher cost base due to the implementation of Sveafastigheter's own property administration systems within the Group as the Company will no longer be part of the system environment within SBB as a stand-alone company, (ii) an increase in "Central administration" of SEK -17 million due to exceptionally low costs in first half of 2024, as well as increasing costs related to the management of the property portfolio of the joint venture company that SBB owns together with Morgan Stanley. The management of the property portfolio is carried out by the Sveafastigheter organization based on a contractual agreement between SBB and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also "Legal considerations and supplementary information – Material agreements – Property management agreement").



Based on the financial statement for the period April 1, 2023 – June 30, 2023 included in the Company's unaudited interim combined financial statements

| SEK million | April 1, 2023 – June 30, 2023 | Adjustments | Stand-alone |
|---|-------------------------------|------------------------|-------------|
| Rental income | 282 | 22¹⁾ | 303 |
| Operating costs | -71 | -2 ²⁾ | -73 |
| Maintenance costs | -22 | -2 ³⁾ | -24 |
| Property tax | -5 | - | -5 |
| Property expenses | -98 | -5 | -103 |
| Net operating income | 184 | 17 | 201 |
| Other income | 9 | 4 ⁴⁾ | 13 |
| Administration | -43 | -14 ⁵⁾ | -57 |
| Result before financial items and unrealized changes in property value | 150 | 7 | 157 |

- 1) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Rental income" for the period by SEK 22 million. For further information (see section "Pro forma financial statements").
- 2) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Operating costs" for the period by SEK -4 million. Additionally external suppliers are assumed to be replaced by own personnel, reducing the costs by SEK 2 million.
- 3) Relates to a hypothetical illustration of how Sveafastigheter's acquisition of shares in the Hemvist companies could have impacted the Company's "Maintenance costs" for the period by SEK -2 million.
- 4) The adjustment in "Other income" is driven by the fact that the acquired part of Hemvist is responsible for providing operational services to all Hemvist entities including those not acquired by the Company. In the stand-alone scenario these services are assumed to cease and are excluded from "Other income" in the table above and amounts to SEK -9 million. In addition, there is an increase of "Other income" due to the property management agreement, as described below, of the Morgan Stanley portfolio, amounting to SEK 13 million.
- 5) The increase in administration is driven by (i) increased "Property administration" by SEK -7 million driven by a higher cost base due to the implementation of Sveafastigheter's own property administration systems within the Group as the Company will no longer be part of the system environment within SBB as a stand-alone company, (ii) an increase in "Central administration" of SEK -7 million due to exceptionally low costs in Q1 2024, as well as increasing costs related to the management of the property portfolio of the joint venture company that SBB owns together with Morgan Stanley. The management of the property portfolio is carried out by the Sveafastigheter organization based on a contractual agreement between SBB and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also "Legal considerations and supplementary information – Material agreements – Property management agreement").

Alternative performance measures for Stand-alone Sveafastigheter

| Performance measure | Definition | Purpose |
|--|--|--|
| Net operating income (including property administration) | Net operating income including directly related property administration expenses. | To be able to analyze the operating income including all directly related expenses of managing the properties. |
| Surplus ratio (including property administration) | Net operating income including directly related property administration expenses divided by Rental income. | To be able to analyze the operating margin including all directly related expenses of managing the properties. |

| SEK million | Full year 2023 | June 30, 2023 – June 30, 2024 | January 1, 2023 – June 30, 2023 | January 1, 2024 – June 30, 2024 | April 1, 2024 – June 30, 2024 | April 1, 2023 – June 30, 2023 |
|--|----------------|-------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
| Net operating income (including property administration) | 667 | 753 | 300 | 386 | 227 | 177 |
| Surplus ratio (including property administration) (%) | 54 | 56 | 51 | 55 | 63 | 58 |

For further information on performance measures not relating to Stand-alone Sveafastigheter, see section "Selected financial information – Performance measures and alternative performance measures".





Market overview

This Offering Circular contains statistics, data and other information regarding markets, market size, market positions and other industry information related to the Company's markets and operations. Such information is based on the Company's analysis of internal and external sources, which are listed throughout this section. In addition, the Company makes several statements and assumptions in this Offering Circular about the industry and its competitive position within the industry. These statements and assumptions are based on the Company's experience and its own market surveys. The Company cannot guarantee that any of the statements and assumptions made are correct, nor that they accurately reflect its market position in the industry.

As far as the Company is aware and able to verify, the information provided in the following section is reliable and accurate, and no facts have been omitted that would render the reproduced information inaccurate or misleading. However, the Company has not independently verified the accuracy or completeness of the Company's internal market surveys, internal information or third-party information and the Company cannot therefore guarantee its accuracy or completeness. The information presented in this section may include estimates on future market performance and other forward-looking statements. Estimates and forward-looking statements are no guarantee for future results and actual events and circumstances may differ significantly from current expectations. A variety of factors can cause or contribute to such discrepancies, refer, inter alia, to the sections "Important Information for investors – Forward-looking statements" and "Risk factors".

Introduction

Sveafastigheter operates in the rent-regulated Swedish residential market with a focus on long-term management and development of residential properties in Sweden. The Company aims to operate in areas with long-term growth opportunities with a focus on cost-effectiveness, creating the basis for affordability and sustainability with a long-term ownership focus.

The Company has its properties and property management operations in growth regions across Sweden, with a focus on university cities¹⁾ and the Stockholm-Mälardalen, Malmö-Öresund and Greater Gothenburg regions. According to Sveafastigheter, these regions have, in general, growth opportunities and structural housing deficit supported by population growth and supportive labor markets contributing to both employment and income growth, exceeding that of the national average.

In addition, Sveafastigheter is also engaged in the development of new residential properties with a primary focus on the Stockholm-Mälardalen region where long-term fundamentals, including population and income growth, are supportive for new constructions. The Company is active within most areas of property development, including land allocation and acquisition, project development and construction project management, and the Company has an active ongoing construc-

tion portfolio and project development portfolio. Ongoing construction properties will be completed between Q3 2024 and first half of 2025, whereas project development properties are projects with 100 percent optionality in terms of starting date.

Sveafastigheter believes that the factors above, presented in detail in this section, create solid conditions for a high and stable demand for residential properties in the municipalities in which the Company operates.

Overview of demographic factors impacting the residential market

The Swedish rental residential market is impacted by several demographic factors and Sveafastigheter believes that the most important factors are population growth, income growth and employment growth, as well as the trend to commute to key labor markets from nearby municipalities.

Population growth

The population of Sweden has increased substantially during the last ten years, from approximately 9.6 million inhabitants in 2013 to 10.6 million inhabitants in 2023, equivalent to a growth of 9.6 percent.²⁾ Most municipalities in Sweden have reported population growth during the same period, with relatively notable variation between

1) Refers to university cities included in Sveafastigheter's property portfolio, as set out in "Business overview – The property portfolio – Standing asset portfolio deep dive as of June 30, 2024".

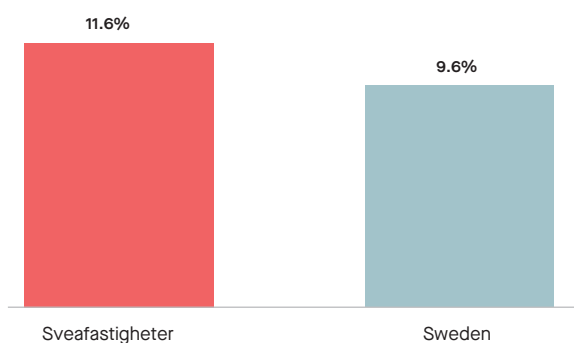
2) Statistics Sweden, statistical database. The average population growth rate has been calculated by weighting the population growth in the cities where Sveafastigheter's properties are located, in relation to the assessed total value of Sveafastigheter's properties in the respective cities.



regions. According to Statistics Sweden, in 2013, almost 80 percent of the population in Sweden lived in, or close to, larger cities and it is also in these regions where population growth has been the highest.¹⁾

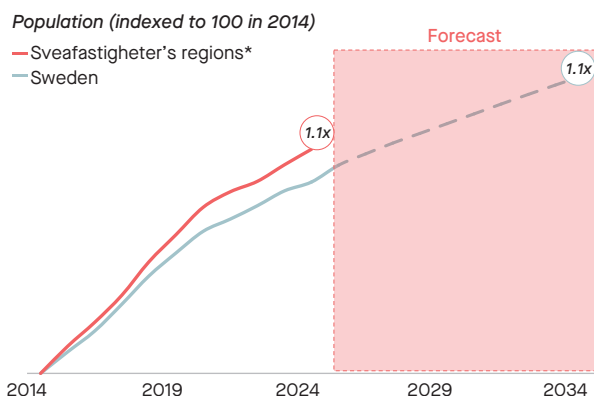
Approximately 80 percent of Sveafastigheter's property portfolio is located in, or in vicinity of, larger urban areas and key labor market.²⁾ As a result, the regions in which Sveafastigheter is active have generally benefitted from population growth and the urbanization trend in particular. During 2013–2023, the regions in which Sveafastigheter operates have experienced a population growth of 11.6 percent as compared to the Swedish national average of 9.6 percent.³⁾

Population growth 2013–2023



Looking ahead, Sweden's population is projected to increase slightly, which is anticipated to lead to a stable demand for housing in the future.⁴⁾

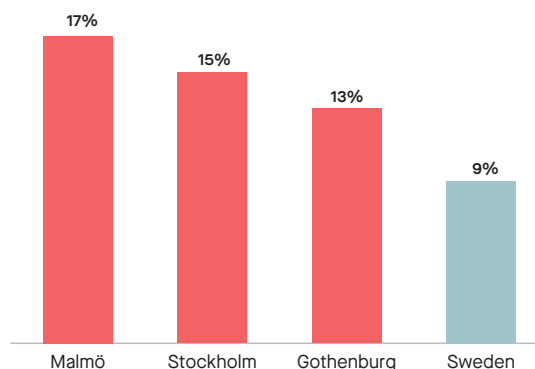
National population growth during the last 10 years



* Population growth weighted on property value in the cities where Sveafastigheter's properties are located.

This urbanization trend is supported by several key factors in Sweden, including access to education and expansive labor markets.⁵⁾ This trend is expected to continue, and it is expected that the highest population growth will be in larger urban regions going forward.⁶⁾ As portrayed in the graph below, the population of Malmö, Stockholm and Gothenburg is expected to exceed the national growth from 2020–2040.⁷⁾

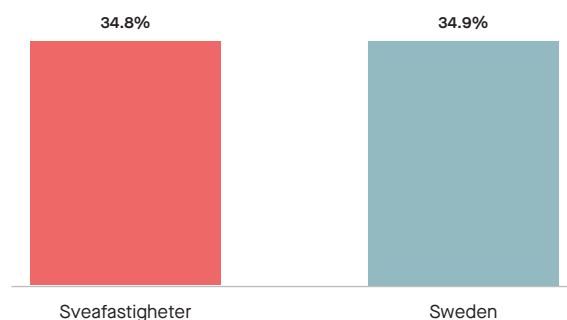
Population growth 2020–2040



Income and employment growth

The income dynamics exhibit a similar pattern as population growth, with residents in the larger urban areas of Sweden receiving an average income approximately 5.1 percent higher in 2022 as compared to the average residents in Sweden as a whole. This income difference amounted to only 4.5 percent in 2012. According to Statistics Sweden, the average income growth during 2012 to 2022 was approximately 34.9 percent in Sweden, which is just above the income development for residents in the regions where Sveafastigheter's is active.⁸⁾

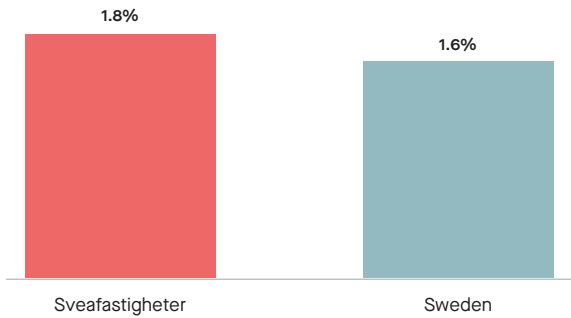
Income growth 2012–2022



1) The Swedish National Board of Housing, Building and Planning, database.
 2) Urban areas and key labor markets refers to the classification of municipalities defined by the Swedish Association of Local Authorities and Regions (Sw. *Sveriges Kommuner och Regioner*). The classifications included are "Large cities and municipalities near large cities" and "Medium-sized towns and municipalities near medium-sized cities".
 3) Statistics Sweden, statistical database. The average population growth rate for the regions Sveafastigheter operates in has been calculated by weighting the population growth in the cities where Sveafastigheter's properties are located, in relation to the assessed total value of Sveafastigheter's properties in the respective cities.
 4) Statistics Sweden, *Sveriges framtida befolkning 2023-2070 (2023)*. The historical data is based on statistical database from Statistics Sweden.
 5) The Swedish Agency for Economic and Regional Growth (Sw. *Tillväxtverket*), *State and trends of regional growth in 2022 (2023)*.
 6) The Swedish Agency for Economic and Regional Growth (Sw. *Tillväxtverket*), *State and trends of regional growth in 2022 (2023)*.
 7) Statistics Sweden, *The future population of Sweden's counties and municipalities 2021-2040 (2021)*.
 8) Statistics Sweden, statistical database. The average income growth rate for the regions Sveafastigheter operates in has been calculated by weighting the income growth in the cities where Sveafastigheter's properties are located, in relation to the assessed total value of Sveafastigheter's properties in the respective city.



Employment growth 2020–2023



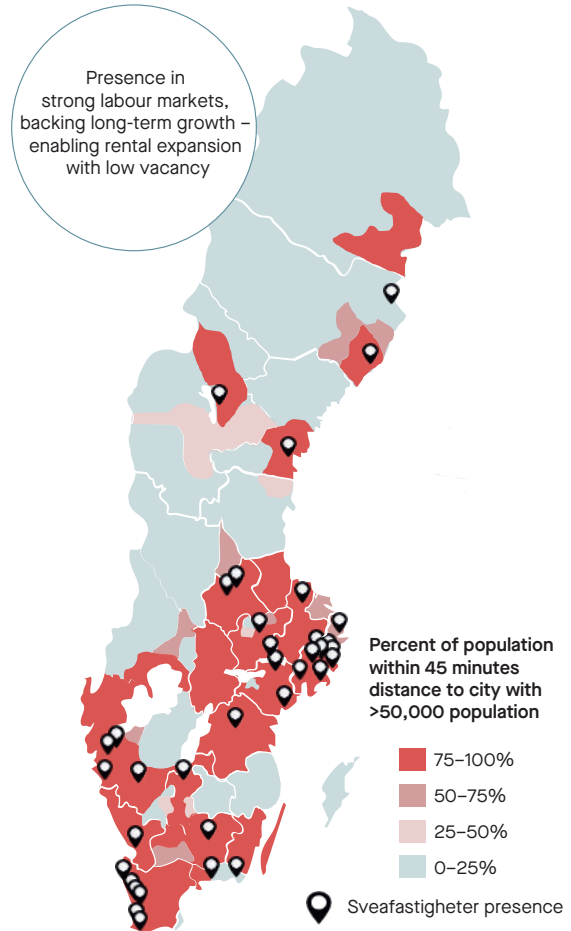
Growth in demand for employees have demonstrated a trend of concentrating to urban areas over time, and according to Statistics Sweden, the average employment rate increased from 74.1 percent to 75.8 percent in urban regions in Sweden, and from 74.3 percent to 76.1 percent in the markets where Sveafastigheter was active during the time period 2020–2023.²⁾

Employment rate growth



Commuting

During 2012–2022, the number of people that commute³⁾ in Sweden increased by over 24 percent and today more than 1.8 million individuals⁴⁾ in Sweden commute across municipal borders on a daily basis.⁵⁾ This trend is partially driven by the general lack of availability of housing in larger cities.⁶⁾ Sveafastigheter’s assessment is that the trend is further impacted by the recent rapid increasing interest rates, impacting the affordability of housing in larger cities. As such, the reach of labor markets in Sweden have increased beyond municipal borders, positively impacting regions with proximity to key labor markets in larger cities. Approximately 40 percent of Sveafastigheter’s property portfolio is located in areas with a high degree of commuting and, as such, the trend is a driver of demand for the Company’s property locations.



The Swedish rent regulation for apartments

The Swedish residential rental market is regulated, meaning that the rents for tenants does not follow market pricing. Rents are generally subject to negotiations between the property owner or an association of property owners (such as the Property-owners Association (Sw. *Fastighetsägarna*)) and a tenants’ association (usually the Swedish Tenants Association (Sw. *Hyresgästföreningen*)). For residential premises, the value-of-use method (Sw. *bruksvärdesprincipen*) applies to rent setting, meaning that the rent shall correspond to the actual value-of-use of the apartment, which aims to ensure that rent levels do not increase too rapidly and are kept at reasonable levels for the benefit of tenants. Exceptions apply for new constructions, whereby the property owner may charge a higher rent (called ‘presumption rent’, as discussed below) than the comparable value-of-use for the first 15 years of the life of the premises, which functions to allow the property owner to charge a higher rent to offset construction and/or investment costs for such new constructions.

1) Statistics Sweden, statistical database. The calculation is based on the BAS system that was implemented in 2020.
 2) Defined by Statistics Sweden as gainfully employed commuters over the age of 16 that leave or come into the municipality.
 3) Defined as inhabitants living outside of the municipality where they are employed in 2022.
 4) Statistics Sweden, statistical database.
 5) The Swedish National Board of Housing, Building and Planning (Sw. *Boverket*), Continued deficit in the housing market in the metropolitan regions (2024).



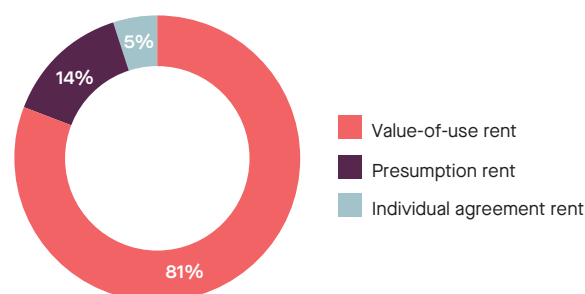
Residential leases are governed by Chapter 12 of the Swedish Land Code (Sw. *Jordabalken*) (the “**Tenancy Act**”), which is a regulation providing protection in favor of the tenant. The Tenancy Act includes, among other things, the tenant’s and property owner’s respective obligations regarding the condition, use and maintenance of the apartment, the tenants right to remain at the premises (‘tenancy protection’) and termination of the lease. Unless expressly permitted by law, it is not possible to agree on terms and conditions less favorable to the tenant than those provided for in the Tenancy Act. Furthermore, residential leases are usually subject to the Rent Negotiation Act (Sw. *Hysesförhandlingslag*), which sets out the principles for the negotiation of rent adjustments as well as certain other topics relating to the lease of residential premises between the property owner or an organization of property owners and a tenants’ association.

The Tenancy Act does not explicitly include any provision that hinders the parties to agree on any rent level for residential premises, however, a tenant of any residential premises has the right to challenge the rent level in the Rent Tribunal (Sw. *Hysesnämnden*) if the parties cannot agree on the rent level. In the event of such proceeding, the Rent Tribunal shall determine the rent based on the

value-of-use of the apartment, which, in practice, imposes a limitation on the rent on which parties can agree. The Rent Tribunal typically also offers advice and mediates between the parties involved.

In relation to Sveafastigheter, 95 percent of its negotiations has been negotiated collectively (i.e., negotiated with the Swedish Tenants Association)¹⁾, of which the value-of-use method has been applied in approximately 81 percent of the negotiations and presumptive rents, which is mainly used to determine rent levels for newly constructed residential apartments, has been applied in approximately 14 percent of Sveafastigheter’s collective negotiations. In addition, individual rent negotiations are also used to determine rent levels to some extent, and have been applied in 5 percent of Sveafastigheter’s negotiations.²⁾

Rental value by type



Annual rent negotiations

In residential lease agreements, it is possible to include a so-called “negotiation provision” in the lease agreements, meaning that the rent level (and other lease terms) shall be subject to the negotiations held between a tenants’ association and representatives of the property owner or an association of property owners. In the Company’s experience, this type of clause is widely used in its residential lease agreements. The basis for the rent negotiation is thereafter the collective negotiation agreements (Sw. *förhandlingsordning*). The collective negotiation agreements are agreements between the property owner (or an association of property owners) and the tenants’ association, according to which the property owners may not adjust the rent without negotiations with the relevant tenants’ association. A tenants’ association may, even though there is no collective negotiation agreement, demand that a property owner shall enter into such agreement. Should the property owner deny such request by a tenants’ association, the association may then refer the matter to the Rent Tribunal, which ultimately may impose on the property owner to enter into a collective rent negotiation agreement. Based on the collective negotiation agreements, the rents for the Company’s properties are negotiated on an annual basis or, for a minor share of the Company’s properties, every year. These annual negotia-

1) As of March 1, 2024.

2) As of March 1, 2024.



tions typically take place during the fall of the calendar year, and the new rent determined during such negotiations would be applicable for the following calendar year. In case such negotiation is not completed by the end of the calendar year (for the new calendar year), then the new rent, once agreed, would typically apply retroactively for the new calendar year rent. If a tenant moves out, the next tenant will be subject to the same negotiated rent (see however the section “– Upgrade rents” below).

While the annual negotiations primarily focus on determining the rent levels, the Rent Negotiation Act stipulates that the property owner shall negotiate any change to the right of use to common areas at the property in this process. Furthermore, unless otherwise stated in the collective negotiation agreements, the negotiating parties shall agree on any other conditions for the leases of the property, the condition of the apartments and the property in general, shared facilities at the property and other living conditions in so far as they concern tenants as a group.

Value-of-use

The value-of-use method entails that the rent payable for an apartment shall correspond to the value-of-use of the apartment (from a tenant’s perspective). The Tenancy Act does not state in detail how the value-of-use shall be determined. In practice, however, the value-of-use is determined based on an overall assessment taking into account such as the size of the apartment, standard, layout, repair standard and sound insulation. The general living environment, the location of the property and its proximity to public transport as well as access to amenities, such as elevators, laundry room, special storage areas and garages, also affect the value-of-use. Hence, the different opinions and needs of different individuals do not affect the value-of-use. As a principle, similar apartments shall have the same rent. Primary data in determining the value-of-use is the outcome of rent negotiations for similar apartments in the same geographical area (usually the same town/city). The rents are thus linked to comparable properties, and are not regulated by supply and demand, and accordingly, rent levels can be below or exceed the market’s willingness to pay for any particular apartment.

The so-called Tripartite Agreement¹⁾ (Sw. *Trepartsöverenskommelsen*), agreed between the Swedish Tenants Association, the Property-owners Association and the Public Housing Sweden (Sw. *Sveriges Allmännyttan*), includes non-binding recommendations and principles for what factors should form the basis for the rent negotiations. It states that five different factors should be used as the basis for the negotiations. Two factors reflect local conditions, such as fees for electricity, heating, waste, water, and sewerage, as well as operating and maintenance costs. Three factors are national – interest rates, GDP and GDP per capita, as well

as inflation. These factors are applicable in all negotiations (value-of-use and presumption rents), however, the focus of their application is primarily for value-of-use method calculations. The Tripartite Agreement entails that the current prevailing inflation levels shall affect rent negotiations for the next three years. The Tripartite Agreement also affords consideration regarding the development of the specific region and the interests of the tenants.

Presumption rents

In 2006, an addition to the value-of-use method was introduced for new construction of residential apartments that allows the relevant Swedish Tenants Association and the property owner to agree on a presumptive rent (which is an exception for new constructions and that allows property owners to charge higher rents during a period of time following the construction of the building) before the completion of the new building. The time period was initially ten years for properties constructed before January 1, 2013 and 15 years for buildings constructed after January 1, 2013. The concept of presumption rents allows the property owner to charge a higher rent to recuperate their construction and/or investment costs for the construction of the new apartment/building. Presumption rents are agreed upon between the property owner and the local tenants’ association by means of negotiation similar to the annual rent negotiations under a collective negotiation agreement as described above. The presumption rent is linked to the production cost and standard of the property, i.e., the higher the production cost, the higher the presumption rent. The rent level is considered reasonable if it covers construction costs and provides a reasonable return on the developer’s investment, and the presumptive rents are typically higher than if such a rent level was determined using the value-of-use method. When the initial 15 years have passed, and the property owner’s right to determine rent using the presumption rent method has lapsed, the rent shall then subsequently be based on the value-of-use method. Even though the intention is that the rent level using the presumption rent method shall be equal to the rent level using the value-of-use method at the end of the 15-year period, this may entail a rent reduction if the previously agreed presumption rent exceeds the current value-of-use of the apartment.

Furthermore, the Svea Court of Appeal has established a model for assessing rent increases, which stipulates that the general rent development should not be fully reflected in rent adjustments for presumption rents.²⁾ According to this model, if the general rent increase is up to three percent as determined by value-of-use calculation, the presumption rent can only be raised by half of that rate. Should the increase exceed three percent as determined by value-of-use calculation, the presumptive rent for a new apartment can only be raised by three-quarters of the amount exceeding this three percent

1) The Tripartite Agreement is entered into between the Swedish Tenants Association, the Property-owners Association and the Public Housing Sweden (Sw. *Sveriges Allmännyttan*).

2) Svea Court of Appeal, ÖH 14593-20 and ÖH 1854-21.



threshold. As an illustration, if the rent increase for a particular apartment as determined by a value-of-use calculation is four percent, it would be considered reasonable to raise the presumption rent by 2.25 percent if a presumption rent is currently applied to that apartment. However, the model is not applied should the presumption rent be lower than the general rent development as determined by value-of-use calculation. Furthermore, the applicability and widespread use of the model to rent negotiations in Sweden remains uncertain, and its effectiveness in various contexts may vary. In Sveafastigheter's experience, the model has not been applied in practise to its negotiations as of the date of this Offering Circular.

Individual rent negotiations

In addition to the collective negotiations described above, in some cases there is also individual rent negotiation of the rent, where the rent is negotiated directly with the tenant, without any involvement from the tenants' association, however, the agreed rent can be challenged by the tenant in the Swedish Rent Tribunal based on the value-of-use-method.

Upgrade rents

As the value-of-use method generally calculates an increased rent level after a major upgrade of an apartment or building, a property owner is entitled to increase the rent based on the value-of-use method when an apartment is upgraded. As further described in the section "Business Overview – Business areas – Upgrades", when a tenant of the Company gives notice to terminate its lease, the apartment is inspected and, depending on the condition of the apartment, the rent level and the rental market, a decision is made by the Company whether to conduct an upgrade of the apartment or not. Generally, the Company and the relevant tenants' association agree on new rent levels for the completed, upgraded apartment, prior to the commencement of any refurbishing works. As the overall standard of an apartment can be significantly increased after a refurbishment, the new rent payable may be substantially higher than the previous rent for the non-refurbished apartment.

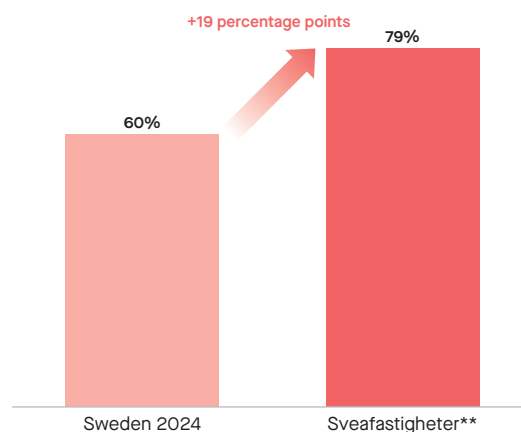
The structural vacancy in the Swedish residential rental market

The Swedish residential market is a regulated market where rents does not factor in supply and demand to the same extent as an unregulated market. As visualized in the graph below, Sweden operates with a structural deficit in housing, with the majority of municipalities reporting a

deficit in housing.¹⁾ Sveafastigheter's assessment is that the deficit in housing is a result of the regulated market in Sweden, with lower rents compared to other unregulated markets, which impacts the willingness to build due to lower returns. This can be illustrated by the low vacancy rate in Sweden that was over 0.8 percent as compared to the semi-regulated market in Germany which had 2.5 percent vacancy and the fully unregulated market in Finland with vacancy of approximately 7.6 percent.²⁾

Additionally, the structural vacancy is strongly linked to the general population growth and, as such, the deficit in housing is present across Sweden, with 60 percent of municipalities expecting a housing deficit in the coming three years. This structural deficit has, much like the number of inhabitants in Sweden, increased over time with only approximately 18 percent of municipalities expecting a deficit ten years ago during the coming five years.³⁾

Estimated housing deficit during the coming three years (%)*



* Based on data from the Swedish National Board of Housing, Building and Planning.

** Based on 2024 statistics from the Swedish National Board of Housing, Building and Planning, for all municipalities where Sveafastigheter operates.

As outlined above, the population growth rates differ across Sweden, with larger urban areas, such as Stockholm, Gothenburg and Malmö, experiencing higher population growth as compared to more rural areas. This differential also translates to housing shortages, as the number of municipalities reporting a deficit is approximately 79 percent in the regions where Sveafastigheter is active.⁴⁾

1) The Swedish National Board of Housing, Building and Planning, database.

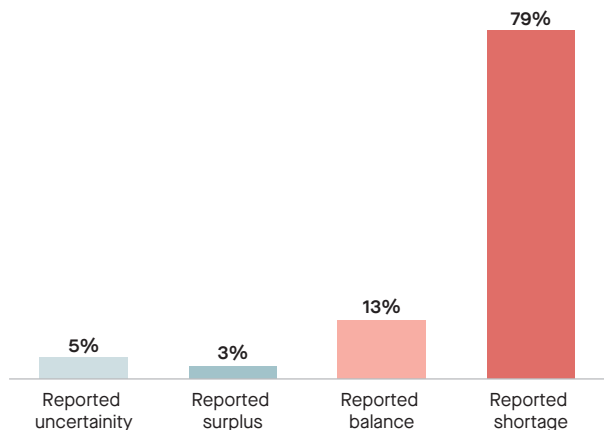
2) Statistical databases from Statistics Sweden (latest available data from 2021), Statista (latest available data from 2022) and KTI Finland (latest available data from 2023).

3) The Swedish National Board of Housing, Building and Planning, database.

4) The Swedish National Board of Housing, Building and Planning, database.

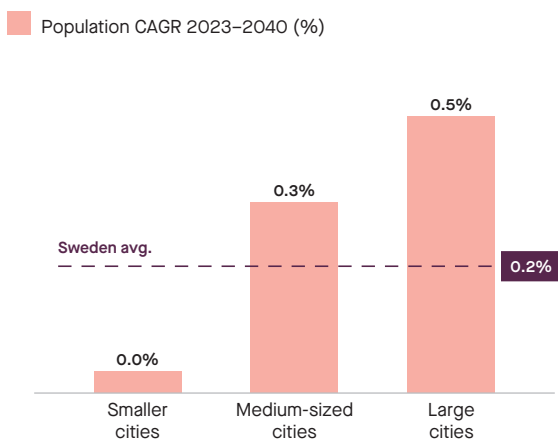


Expected housing deficit in Sveafastigheter's municipalities during the coming three years*



* Based on 2024 statistics from the National Board of Housing, Building and Planning, for all municipalities where Sveafastigheter operates.

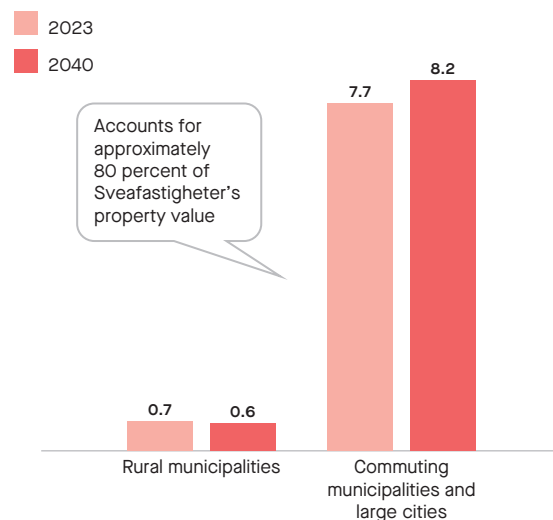
Alongside the structural vacancy in the Swedish residential market, Sweden is expected to see an increase in urbanization going forward. From 2023 to 2040, medium-sized cities and larger cities are expected to have a population growth that are expected to exceed the national average and the growth level in smaller cities.¹⁾ As such, the Company believes that this indicates that urbanization will increase going forward with more individuals moving to medium-sized cities and larger cities. Approximately 80 percent of Sveafastigheter's portfolio is located in medium-sized and large cities.²⁾



1) Based on data from Statistics Sweden.

Furthermore, commuting municipalities and larger cities are expected to increase their total population by 2040 from 7.7 million to 8.2 million inhabitants. On the contrary, rural municipalities are expected to decrease their population from 0.7 million to 0.6 million inhabitants during the same period. Sveafastigheter's properties are predominantly located in commuting municipalities and large cities, which account for approximately 80 percent of the total property value.³⁾

Population* (millions)



* Based on data from Statistics Sweden.

With a structural deficit in housing in Sweden and increased urbanization, rental rates have consistently outpaced inflation over the long term. During the period 1991-2023, the rental levels in Sweden increased by 150 percent while the consumer price index increased by 80 percent. During the same period, the average tenant's nominal salary rose 180 percent, which indicates a sustained capacity to absorb potential rent hikes. Despite operating within a regulatory framework, the average rent level in Sweden has not decreased since 1969, and the regulated market in Sweden has consistently achieved average residential rent increases that surpass the Swedish rate of inflation.⁴⁾ Recent trends have shown a temporary alignment of rent levels with inflation since 2022 yet projections indicate that rents will outpace inflation and rent increases are anticipated to average 4.5-5.0 percent in 2024.⁵⁾ According to the Swedish Tenant Association, several municipality-owned housing companies in the Stockholm region have agreed to rental increase of more than 5.0 percent for 2024.⁶⁾

1) Statistics Sweden, statistical database.

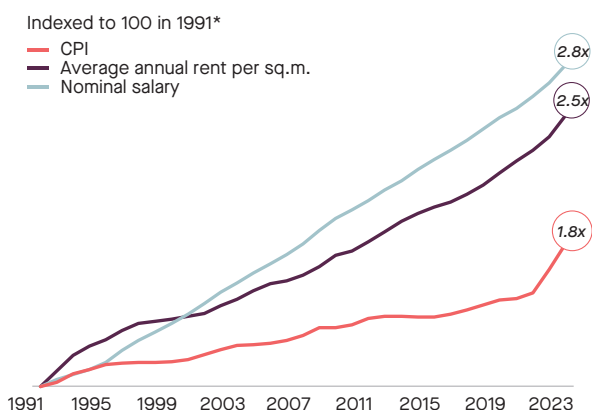
2) Statistics Sweden, statistical database. Weighted based on Sveafastigheter's property value in each respective category as defined by Statistics Sweden.

3) Statistics Sweden, statistical database. Weighted based on Sveafastigheter's property value in each respective category as defined by Statistics Sweden.

4) Statistics Sweden, statistical database from 1969 up until 2023.

5) JLL Nordic Outlook Spring (2024).

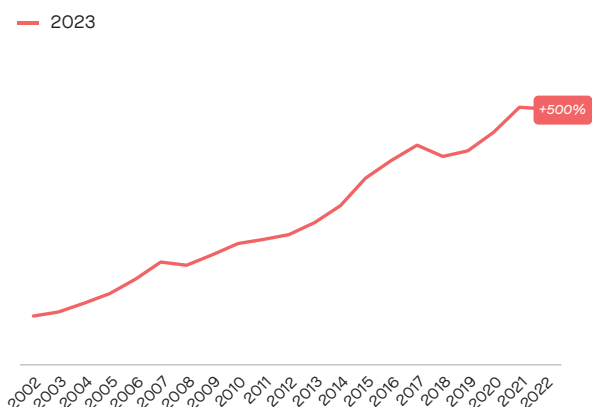
6) The Swedish Tenants Association, Förhandlingsläget i Stockholm (2024).



* Statistics Sweden, statistical database.

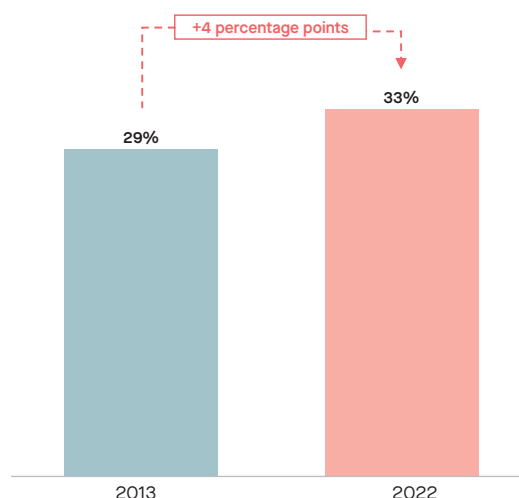
One way of demonstrating the willingness to pay for housing is by reviewing the alternative form of multi-family housing, i.e., the condominium market. While the pricing of condominiums differs across Sweden, the national average price for a condominium has increased by more than 500 percent during 2002–2022¹⁾ and, in 2024, the Swedish average was SEK 51,123 per square meter²⁾.

Average price of tenant owned apartments



As a consequence, and further accelerated by increasing interest rates, the affordability, and hence the availability, for people to access the condominium market has decreased over time as implied by the increased proportion of rental apartments in the total building stock which represented 33 percent in 2023 as compared to 29 percent in 2013.³⁾

Rental apartments of total stock (%)



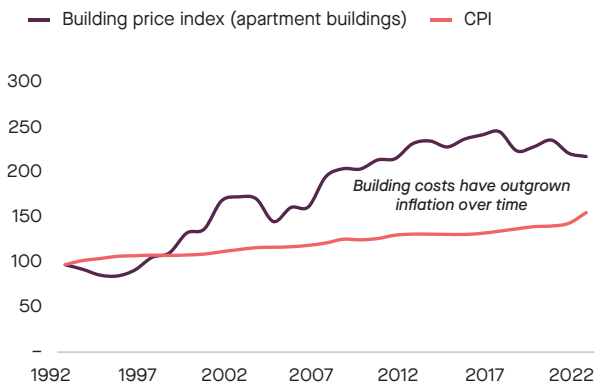
As a result of structural vacancy, below market rents and the market pricing of alternative forms of housing, Sveafastigheter believes that the Swedish residential market is further characterized by relatively low churn, as there are clear incentives for tenants to retain their rental contracts. As such, Sveafastigheter believes that the regulated market implies a high degree of tenant stability and, consequently, cash-flow predictability.

The Swedish rental residential market for new construction

As previously outlined, there is a structural deficit in housing in Sweden in general, and in Sveafastigheter's regions in particular (see the section “– The structural vacancy in the Swedish residential rental market” for further information). Therefore, and as indicated by the Swedish National Board of Housing, Building and Planning there is an incremental need of approximately 500,000 new residential units up until 2030 to reach a market equilibrium between supply and demand.⁴⁾

However, the cost for new residential property development has outpaced inflation by approximately 40 percent over time⁵⁾.

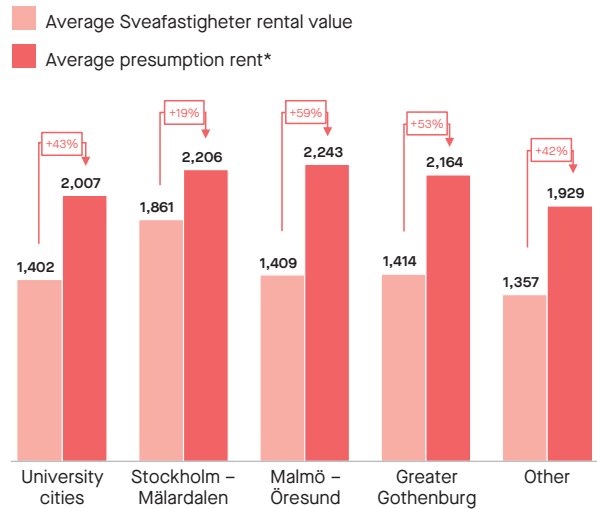
1) Statistics Sweden, statistical database.
 2) For all of Sweden as of September 6, 2024 based on data for the previous three months from Svensk Mäklarstatistik. Including SEK 6,800 per square meter of debt based on average debt per square meter in housing cooperatives in 2022 (Sw. *bostadsrättsföreningar*) from BRF Mappen, Condominium fees need to be raised significantly going forward (2023).
 3) Based on data from the Council for Municipal Analysis.
 4) The Swedish National Board of Housing, Building and Planning, Need for housing construction 2023–2030 (2023).
 5) Statistics Sweden, statistical database.



Therefore, in order to stimulate the production of new residential rental units, rents are primarily determined using presumption rents, as further described in the section “Market overview – The Swedish rent regulation for apartments”. As such, rents in newly constructed residential buildings which apply presumption rents can, in the opinion of the Company, be viewed as an approximation of market rents in some cities and regions, as it reflects the tenant’s ability and willingness to pay in a specific location. Taking the regions where Sveafastigheter’s existing property portfolio are located into account, Sveafastigheter believes that there is an indicative ability for tenants to pay higher rents, and also demand newly refurbished apartments warranting higher rents based on the value-of-use system.

The average rental value in Sveafastigheter versus the average presumption rent in selected regions

SEK per sq.m.



* Based on data from Statistics Sweden, Rental apartments in apartment buildings (in 2022) by region, type of developer and rent setting model (2023).

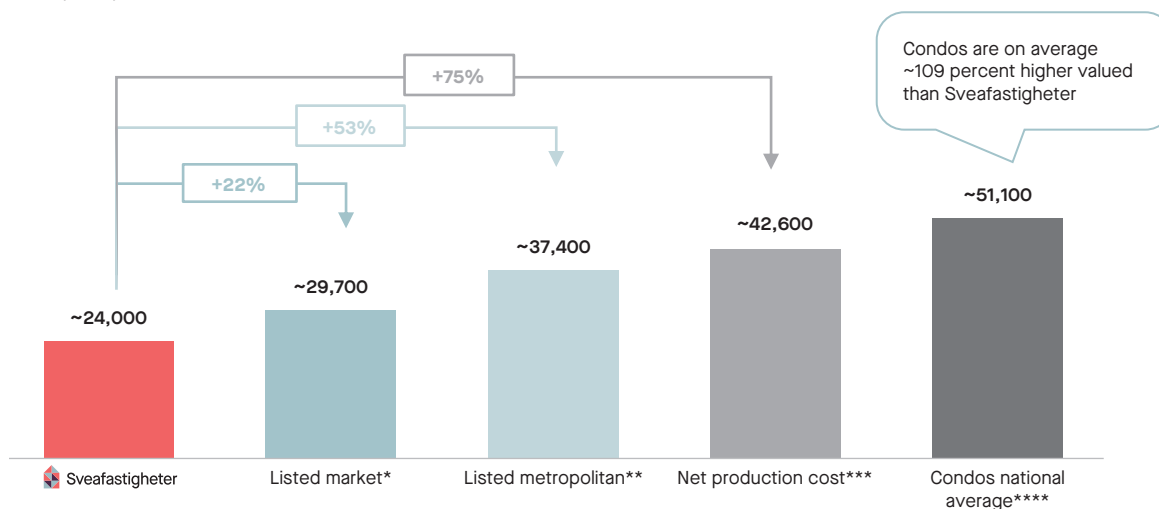
The increase in construction costs has resulted in average net production costs surpassing the valuation of Sveafastigheter’s standing asset portfolio by 75 percent. When compared on a per square meter basis, Sveafastigheter’s assets are valued at a lower rate than those in both the listed market¹⁾ and listed metropolitan²⁾. Moreover, the market valuation of condominiums significantly exceeds Sveafastigheter’s properties. The average valuation of condominiums in Sweden exceeds the value of Sveafastigheter’s properties by 109 percent.³⁾ This disparity indicates, according to the Company’s assessment, an underlying potential for growth in rental income and property value appreciation on existing properties as well as an increase in the potential ability for Sveafastigheter to convert and sell rental units to condominiums.

1) Figures referencing the “listed market” have been calculated using data from the latest quarterly reports of the following companies: Fortinova Fastigheter AB (publ), Genova Property Group AB (publ), Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ), K-Fast Holding AB (publ), Klarabo Sverige AB (publ), K2A Knaust & Andersson Fastigheter AB (publ), Neobo Fastigheter AB (publ) and Fastighets AB Trianon (publ).
 2) Figures referencing the “listed metropolitan” have been calculated using data from the latest quarterly reports of the following companies: Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ) and Fastighets AB Trianon (publ).
 3) For all of Sweden as of September 6, 2024 based on data for the previous three months from Svensk Mäklarstatistik. Including SEK 6,800 per square meter of debt based on average debt per square meter in housing cooperatives in 2022 (Sw. *bostadsrättsföreningar*) from BRF Mappen, Condominium fees need to be raised significantly going forward (2023).



Sveafastigheter's property value in relation to peers and new constructions

Value per sq.m (SEK)



* Figures referencing the "listed market" have been calculated using data from the quarterly reports for the period January 1, 2024 – June 30, 2024 of the following companies: Fortinova Fastigheter AB (publ), Genova Property Group AB (publ), Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ), K-Fast Holding AB (publ), Klarabo Sverige AB (publ), K2A Knaust & Andersson Fastigheter AB (publ), Neobo Fastigheter AB (publ) and Fastighets AB Trianon (publ).

** Figures referencing the "listed metropolitan" have been calculated using data from the quarterly reports for the period January 1, 2024 – June 30, 2024 of the following companies: Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ) and Fastighets AB Trianon (publ).

*** Statistics Sweden, statistical database. For all of Sweden as of January, 2024, excluding debt.

**** For all of Sweden as of September 6, 2024 based on data for the previous three months from Svensk Mäklarstatistik. Including SEK 6,800 per square meter of debt based on average debt per square meter in housing cooperatives in 2022 (Sw. *bostadsrättsföreningar*) from BRF Mappen, Condominium fees need to be raised significantly going forward (2023).

The Swedish rental residential assets as an investment

The Swedish rental residential market has, since 2010, been one of the most active sectors in number of transactions within the Swedish real estate transaction market and has received significant investor interest, partially driven by international investments.¹⁾ The interest in residential assets has generally been driven by the structural deficit, which Sveafastigheter believes implies a high degree of tenant stability, which, coupled with the regulated rental market with steadily increasing real rents, creates low-risk fundamentals that have resulted in falling yield requirements.²⁾

However, in the wake of the high inflation seen in 2022–2024, the transaction volume in the Swedish real estate market has decreased significantly. The transaction volume declined approximately 54 percent between 2022 and 2023. The decrease in transaction volume was primarily driven by a high degree of uncertainty around inflation and interest rates among market participants.³⁾ As a consequence, the average yield requirement have

increased since the first quarter of 2022 up to and including the second quarter 2024, and Sveafastigheter's average yield requirement has increased from 3.1 percent to 4.3 percent (corresponding to an increase of approximately 40 percent over that period), due to evolving market conditions. However, increases in rent levels have partially counteracted the decrease in valuation of Sveafastigheter's standing assets.

It is anticipated that the transaction market for residential apartment units will stabilize, supported by more favorable macro-economic factors, including falling inflation which would imply a decrease in interest rates.⁴⁾ In addition, credit markets have begun to show signs of increased liquidity and banks continue to favor residential assets due to their perceived low-risk nature. As an indication there is a notable correlation between yields and interest rates, suggesting that shifts in underlying interest rates are likely to be advantageous for residential assets.⁵⁾

1) Colliers Nordic Property Outlook (2024).

2) JLL Nordic Outlook Spring (2024).

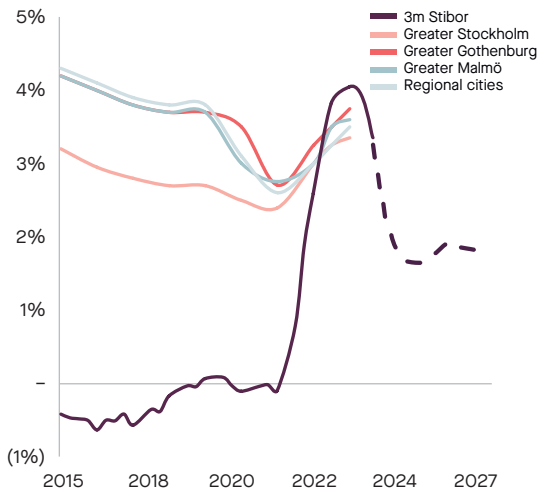
3) JLL Nordic Outlook Spring (2024).

4) JLL Nordic Outlook Spring (2024).

5) Savills Research and Bloomberg.



Prime yield* and 3 months STIBOR** (%)



* Based on data from Savills Research.
 ** Based on data from Bloomberg as of September, 2024.

Competitors

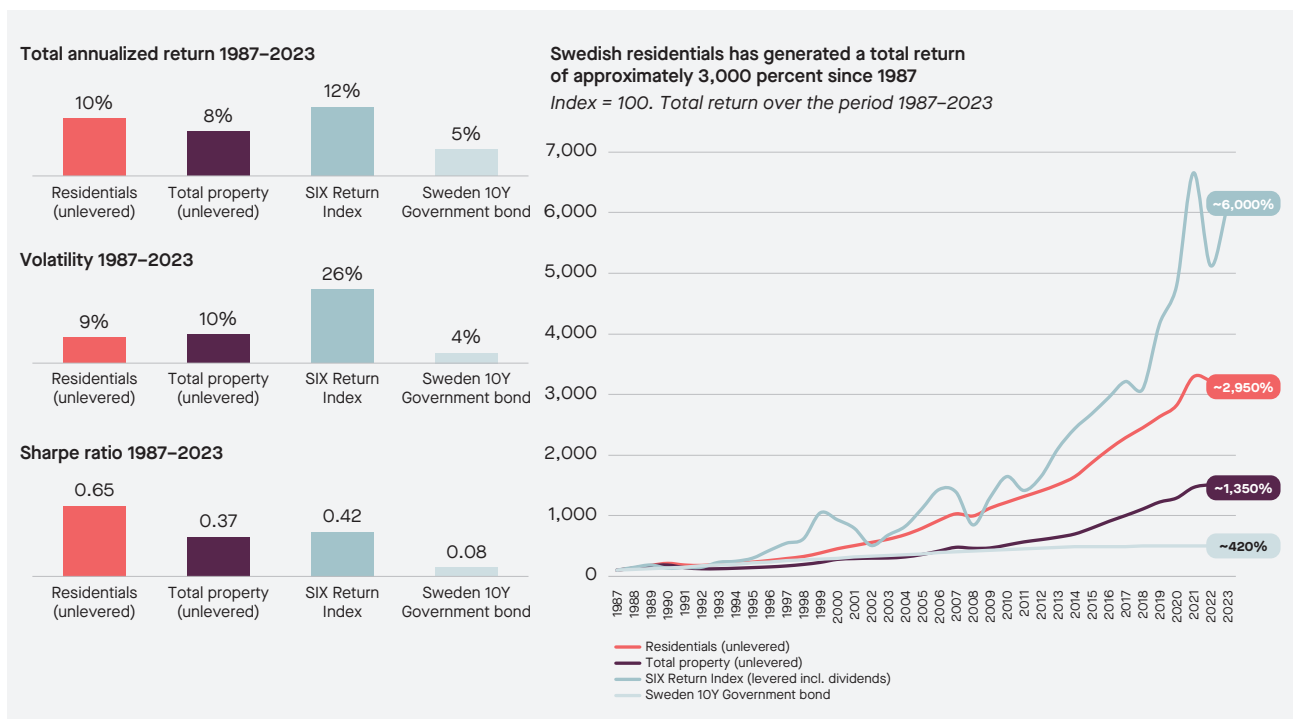
Sveafastigheter is active in residential rental housing but is also exposed to competition from other parts of the real estate industry. In addition to rental apartments, Sveafastigheter primarily competes for tenants with condominiums but also other housing forms in the regions in which

they operate. The competition includes both newly produced residentials and the supply that accrues from the succession market.

Sveafastigheter's competitors are both public and private companies. The competition comes in particular from other real estate companies with a focus on residential properties such as for example Wallenstam AB (publ), K-Fast Holding AB (publ), Fastighets AB Balder (publ), Heimstaden AB (publ) (within listed real estate companies), Stena Fastigheter AB, Victoriahem AB, Einar Mattsson AB, Rikshem AB (publ) (within non-listed real estate companies) as well as public housing real estate companies that operate in the same regions as Sveafastigheter.

Swedish residentials total return since 1987

Swedish residentials have from 1987 to 2023 generated a total unlevered return of approximately 2,950 percent (annualized return of 10 percent). In comparison, the Stockholm Stock exchange including dividends (SIX Return Index) has generated a levered return of approximately 6,000 percent (annualized return of 12 percent). However, when incorporating volatility and measuring the returns through the Sharpe ratio, residentials has on a risk adjusted basis outperformed both the levered SIX Return Index and the total unlevered property returns.¹⁾



1) Based on data from SEB, Morgan Stanley Capital International, Nasdaq, Macrobond and the Swedish Riksbank.



Här bygger vi staden

Här bygger vi nya bostäder i staden idag.

Business overview

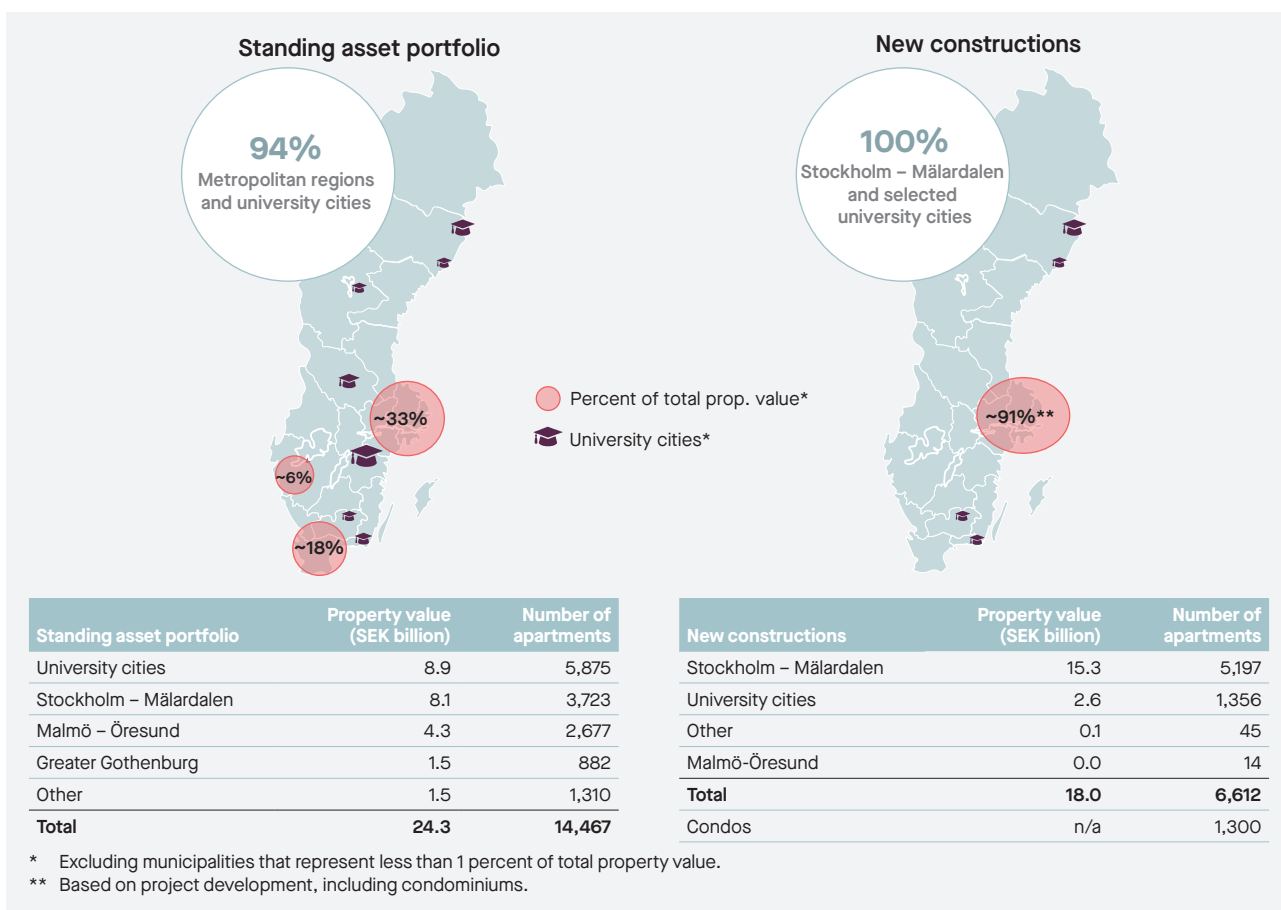
Overview

Sveafastigheter Bostad was founded in 2014 and was subsequently acquired by SBB in 2020. In 2024, Sveafastigheter was formed by separating the residential assets and the related part of the organization from SBB as well as SBB's joint ventures Unobo and Hemvist. As of the date of the Offering Circular, the Company's property portfolio is a composition of SBB, Unobo and Hemvist-related properties. All subsidiaries of Sveafastigheter are wholly owned. Once listed, Sveafastigheter will become Sweden's largest listed real estate company focusing on solely residential properties.¹⁾

As of June 30, 2024, the Company had a property value, including standing assets and new constructions (book value), that corresponded to SEK 27.5 billion. As of

the same date, the portfolio consisted of standing assets that corresponded to SEK 24.3 billion, properties classified as ongoing construction that corresponded to SEK 0.8 billion, and project development and building rights that corresponded to SEK 2.4 billion. As such, Sveafastigheter's property value is 3.1 times larger than the median listed market in Sweden, as well as a free-float²⁾ in absolute terms of net asset value³⁾ corresponding to approximately SEK 7 billion, which is approximately 3.1 times larger than the median listed market in Sweden.⁴⁾⁵⁾

The graph below illustrates Sveafastigheter's standing asset portfolio as well as new constructions, highlighting the geographical overlap between the two, as of June 30, 2024.⁶⁾



1) Based on data from the quarterly reports of for the period January 1, 2024 – June 30, 2024 the following companies: Fortinova Fastigheter AB (publ), Genova Property Group AB (publ), Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ), K-Fast Holding AB (publ), Klarabo Sverige AB (publ), K2A Knaust & Andersson Fastigheter AB (publ), Neobo Fastigheter AB (publ) and Fastighets AB Trianon (publ).

2) Free-float based on data from Holdings.se as per September 25, 2024.

3) Refers to either "net asset value" or "EPRA NRV". Real estate companies that are members of the European Real Estate Association (EPRA) may use the term "EPRA NRV", as defined by EPRA. Due to Sveafastigheter not being a member of EPRA, "net asset value" is used in relation to the Company. The terms are however interchangeable.

4) Figures referencing the "median listed market" have been calculated using data from the latest quarterly reports for the period January 1, 2024 – June 30, 2024 of the following companies: Fortinova Fastigheter AB (publ), Genova Property Group AB (publ), Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ), K-Fast Holding AB (publ), Klarabo Sverige AB (publ), K2A Knaust & Andersson Fastigheter AB (publ), Neobo Fastigheter AB (publ) and Fastighets AB Trianon (publ).

5) Figures referencing to the "median listed market" have been calculated using the value of residential properties.

6) New construction consists of ongoing construction properties as well as project development.



Mission

Sveafastigheter's mission is to manage and develop homes for more people, where current and future generations can thrive and feel safe.

Business concept

The Company's business concept is to own, actively manage and build attractive rental housing in growth regions in Sweden with a focus on tenant satisfaction, the Company's profitability and local community involvement and strong sustainability work.

Vision

Sveafastigheter's vision is to be Sweden's best residential real estate company, meaning (i) Sweden's most satisfied tenants, (ii) the industry's best and most satisfied employees, (iii) Sweden's most sustainable properties, (iv) stakeholders' first choice and (v) the industry's most attractive company to invest in.

History

Below is a summary of the important events in Sveafastigheter's history and development.

| | |
|-------------|--|
| 2014 | Sveafastigheter Bostad is founded. Sveafastigheter receives its first land allocation "Focken" in Västerås. |
| 2016 | Samhällsbyggnadsbolaget i Norden AB is founded. |
| 2017 | Sveafastigheter completes the development of "Focken" in Västerås. |
| 2020 | SBB acquires the housing developer Sveafastigheter. |
| 2021 | SBB and Kåpan Pensioner form a joint venture and invests in Hemvist. SBB acquired 70 percent of the shares in the residential real estate company Unobo from Riksbyggen. |
| 2023 | SBB decides after a strategic review to present a decentralized group structure, whereby the business is divided into three business units: <i>Education, Community, and Residential</i> . It is also announced that an initial public offering is planned for the property portfolio relating to the <i>Residential</i> business units. |
| 2024 | Sveafastigheter was formed by separating residential assets and the related part of the organization from SBB as well as SBB's joint ventures Unobo and Hemvist. |

Overall business

Sveafastigheter has an in-house and local property management organization that focuses on active property management to drive organic profitable growth with a focus on tenant satisfaction and cost control. In addition, Sveafastigheter has also developed a highly standardized process for upgrades and continuously evaluates apartments when vacant. The Company has a track-record of executing upgrades with good profitability, creating value for both tenants and the Company.

With a focus on tenant satisfaction, Sveafastigheter owns, actively manages and develops a wide range of rental apartments. Sveafastigheter manages both older and newly built properties across Sweden, in attractive locations with good commuting solutions and centrally located with proximity to the labor market and education.

Sveafastigheter aims to ensure that its homes and residential courtyards are clean, tidy and safe. The properties are maintained and developed by Sveafastigheter's in-house property management organization with local presence to ensure organic and profitable growth. In addition, the Company is gradually working to reduce carbon dioxide emissions through energy-efficient solutions. Sveafastigheter is present and involved in the local community to contribute to the positive development of the residential areas where the Company operates.

Sveafastigheter develops and constructs new residential properties with sustainable solutions at the forefront. By working closely with municipalities, architects, contractors and local organizations, Sveafastigheter aims to design properties that are adapted to the specific location and the individuals who reside there.

Overall targets

Sveafastigheter's overall target is to manage and develop a wide range of attractive rental apartments across growing regions in Sweden with our tenant's satisfaction and our profitability at a core. The Board of Directors of Sveafastigheter has established the operational and financial targets from the date of this Offering Circular as set out below.

The below operational and financial targets are forward-looking statements based on estimates and assumptions and are subject to risks and uncertainties. Furthermore, unforeseen events may occur that, whether or not they can be influenced by Sveafastigheter, may adversely affect the Company's actual results in future periods, regardless of whether these assumptions prove to be correct or not (see the section "Risk factors" for further information).



Operational targets

- Upgrade at least 2,000 apartments during the coming five years.
- Commence construction of at least 600–800 apartments annually during the coming five years.
- Obtain land allocation agreements for new construction of at least 800 apartments annually during the coming five years.

Financial targets

Commercial targets

- ▶ Within the next five years, the surplus ratio, including property administration, shall exceed 70 percent.¹⁾
- ▶ Over a business cycle, achieve average annual growth of at least 12 percent in net asset value per ordinary share.

Credit policy

- ▶ Over time, loan-to-value ratio shall be within 40–50 percent, depending on market conditions.
- ▶ The ratio of net debt to EBITDA shall not exceed 15x.
- ▶ The interest coverage ratio shall exceed 1.50x.

Overall strategies

Sveafastigheter's strategy is to own, manage and develop residential properties with a long-term perspective and cash flows that generate a positive return over time. Sveafastigheter's main strategies can be summarized as follows:

- utilize efficient and local property management that aims to deliver a high level of service and create increased economies of scale. At the same time, property management should be perceived as personal and committed, in order to foster the best conditions for satisfied tenants with desirable and environmentally friendly buildings. The Company believes that this commitment will lead to increased property values over time, through higher rental income, lower vacancy rates and lower costs;
- continuously evaluate the existing portfolio based on the value-creating measures that are available, including both cost-reducing (such as energy measures) and revenue-increasing measures (such as ongoing upgrades as well as value-of-use tests to achieve higher rents);
- aim to actively implement sustainability in all aspects of the organization through ongoing sustainability-enhancing investments, such as solar cells and insulation, to increase energy efficiency, but also work with standardized processes and environmentally

friendly material choices in new constructions where all future production will at least have the environmental certification Miljöbyggnad Silver²⁾. Additionally, the Company prioritizes social sustainability by creating safe, inclusive, and diverse communities through collaboration with local actors and residents, offering diverse housing options, communal space and social contract with municipalities to promote a sense of community and well-being;

- identify buildings rights through its collective experience, expertise and longstanding relationships with municipalities as well as land and property owners. Furthermore, Sveafastigheter will actively work to continuously evaluate the portfolio based on possible densification to create building rights on already owned land and on existing properties that can either be developed for own management or sold to an external party;
- achieve growth through new construction projects, which also increases the return on the property portfolio and surplus ratio;
- implement a sustainability vision with underlying goals and activities where sustainability is a fully integrated part of the business model; and
- portfolio optimization through the sale and acquisition of selected properties.

Dividend policy

The Company's overarching goal is to create long-term value for its shareholders. This is achieved by reinvesting in the business to drive further growth and economies of scale through investments in properties and new construction. As a result, there will be no dividend for 2024 and the dividend will be low or none in the upcoming years.

Business areas

Property management

An overview of the property management

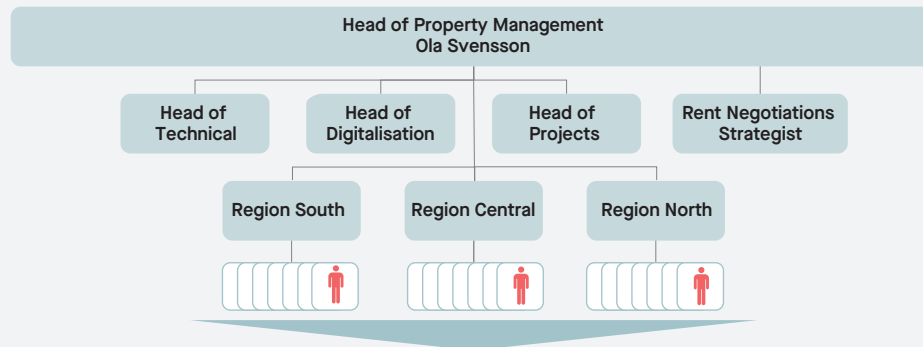
Sveafastigheter focuses on long-term in-house property management with a local presence where customer relations are an important part of the Company's strategy. The technical management and general maintenance (which does not include larger refurbishments) of Sveafastigheter's properties is largely carried out by the Company's own staff in the respective regions. Sveafastigheter concentrates its property portfolio to locations with existing Sveafastigheter local and in-house property management, which ensures economies of scale and efficient operations.

1) Including rental income growth, vacancy management, cost reduction through energy efficiency investments, apartment upgrades as well as property development.

2) Miljöbyggnad Silver indicates that the property owner is committed to environmental issues and actively works for more sustainable buildings and a good indoor environment. The high requirements for Miljöbyggnad Silver indicate, among other things, that sun protection, sound environment and ventilation need to be significantly higher than current recommendations.



Organizational structure of the property management*



- The regional manager is in general responsible for technical property managers, project leaders, property management administrators and area managers
- Each area manager is responsible for several property managers who each has a team of letting managers and maintenance technicians – Also responsible for the economic development, sustainability improvement and value growth

| | | | |
|--|--|---|---|
| ~3,000 apartments per technical property manager | ~1,000 apartments per property manager | ~1,000 apartments per letting manager | ~250-350 apartments per property technician |
|--|--|---|---|

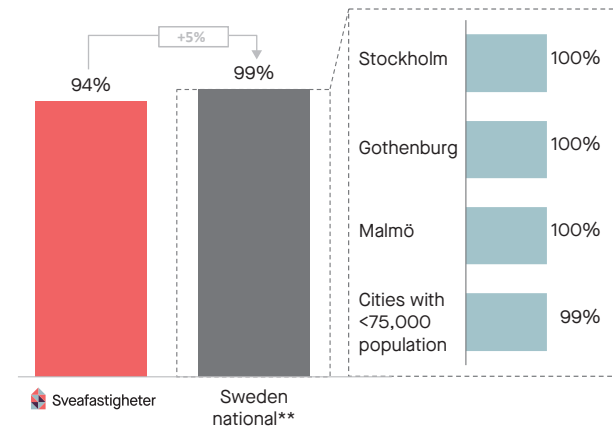
* Approximately 124 full-time equivalents in the property management team.

The Company believes that it has the tools in place to support its organic profitable growth. Sveafastigheter has also defined four focus areas to achieve its long-term objectives:

- Several energy efficiency initiatives in place aimed at promoting sustainability including reduced carbon dioxide emissions, alongside lower operational costs.¹⁾ The Company utilizes digital initiatives such as Mestro and Smartvatten, which provides tenants with the opportunity to track water and energy usage to reduce costs and energy usage as well as saving time for the property management organization. Additionally, Sveafastigheter’s tenants can use Avy for financial and technical management, enabling tenants to reduce carbon dioxide emissions and increases customer satisfaction.
- As a stand-alone entity, Sveafastigheter is strategically positioned to enhance economic occupancy rates.²⁾
- The Company prioritizes upgrades, recognizing that upgrading apartments can lead to increased rental income while simultaneously decreasing the necessity for maintenance.³⁾
- Sveafastigheter’s systematic work with value-of-use assessments to increase rental levels without any investments.⁴⁾

As of June 30, 2024, Sveafastigheter had an economic occupancy rate of 94⁵⁾ percent, compared to Sweden’s national average of 99 percent in 2021.⁶⁾ The property management organization’s primary focus is to improve economic occupancy through marketing and various types of community involvements.

Economic occupancy rate*



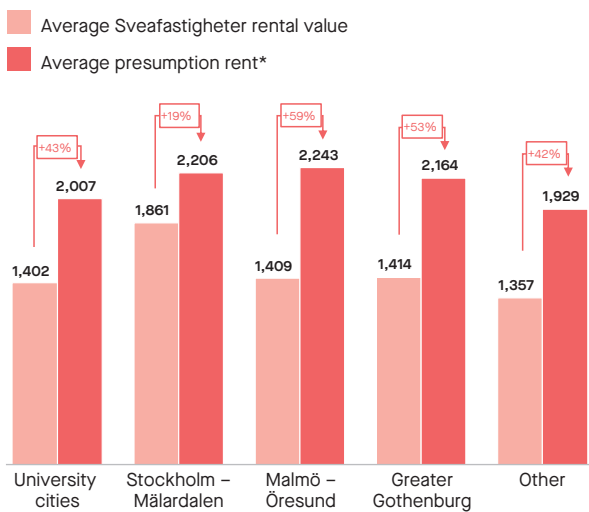
* Excluding parking and commercial tenants.
 ** Statistics Sweden, statistical database. The latest available data is available from 2021 and includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included. Stockholm, Gothenburg and Malmö refer to the metropolitan regions of each city.

1) See further sections “– Other investments in the existing portfolio” and “– Sustainability work”.
 2) See further described below.
 3) See further section “– Upgrades”.
 4) See further section “– Value-of-use test”.
 5) For new productions (i) that have been completed within the past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024) and (ii) for which vacancy rates exceed the average vacancy rate of the Company’s standing assets, (amounting to approximately 6 percent as of June 30, 2024), then the average vacancy rate of the Company’s standing assets is applied (6 percent). If project vacancy is included, then the economic occupancy rate amounts to 91 percent.
 6) Statistics Sweden, statistical database.



Sveafastigheter regularly evaluates property value enhancing measures such as identifying apartments for upgrades or value-of-use tests. As an example, in the regions where Sveafastigheter operates, presumption rent levels are generally higher than rental values of Sveafastigheter, which indicates that tenants pay a higher rent level for new apartments. As such, the Company believes that there is a rent lift potential in Sveafastigheter's existing apartments from either upgrades or value-of-use tests since presumption rent levels indicate that tenants are willing and able to pay a higher rent for apartments of higher quality.¹⁾

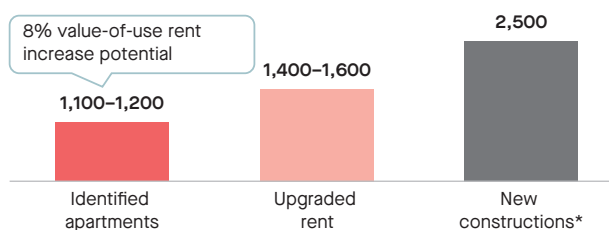
Potential to increase the average rent per square meter
SEK per sq.m.



* Based on data from Statistics Sweden, Rental apartments in apartment buildings (in 2022) by region, type of developer and rent setting model (2023).

The identified apartments that are available for upgrade or value-of-use tests are based on the criteria that the rent level is below SEK 1,200 per square meter and that the property was built before 1990. The Company estimates that the identified apartments rent levels can be increased to SEK 1,400–1,600 per square meter depending on the location and upgrade standard, which can be compared to SEK 2,500 per square meter for new constructions.

Increase rents through upgrades and value-of-use tests
Average rental income per sq.m. (SEK)



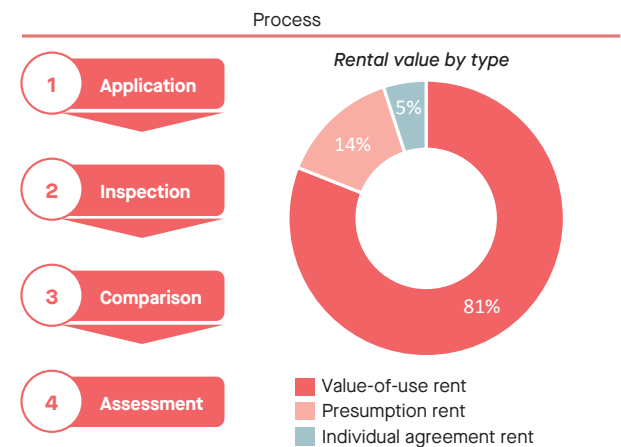
* Based on ongoing construction and not yet started projects with zoning plans having gained legal force.

1) The Company's assessment.

2) Based on Sveafastigheter's historical assessment on the apartments that are eligible for upgrade are built before the year 1990 with a rent level below SEK 1,200 per square meter.

Value-of-use test

Sveafastigheter operates on the principle that a fair rent level should be achieved, where rents are accurate and fair in the property portfolio compared to comparable properties in the market. However, there are apartments that have different rents despite having the same standard and location. In such a scenario, Sveafastigheter can conduct a value-of-use test. The Company continuously evaluates potential rent increases through value-of-use tests to align the rent levels of rental properties in its portfolio with the broader market. As of June 30, 2024, the Company's standing assets had an annual rental value per square meter of SEK 1,513 per square meter.



The Company works systematically to initiate negotiations of the value-of-use with the Swedish Tenants Association in order to claim a fair and accurate rent. The value-of-use is based on an objective analysis of what the apartment is considered to be worth based on, for example, size, area, surfaces and outdoor environment. The assessment thus does not take into account the opinions of individual tenants. Sveafastigheter assesses that approximately 3,700²⁾ apartments in its property portfolio are eligible for value-of-use tests.

| Process (parallel workstreams) | Number of months per workstream |
|--|---------------------------------|
| Desktop evaluation | 0–1 |
| Internal inventory and compare to similar objects | 0–4 |
| The Swedish Tenants Association including confirmation | 0–8 |
| Due diligence of area, apartments, public spaces and comparable apartments | 0–6 |
| Negotiations | 0–6 |
| Total | ≤12 |



Overview of value-of-use tests in selected municipalities

| Municipality | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 |
|--------------|---------|---------|---------|---------|---------|---------|---------|
| Skellefteå | → | | | | | | |
| Linköping | | | → | | | | |
| Helsingborg | | | | → | | | |
| Umeå | | → | | | | | |
| Sundsvall | | | | → | | | |
| Landskrona | | → | | | | | |

Upgrades

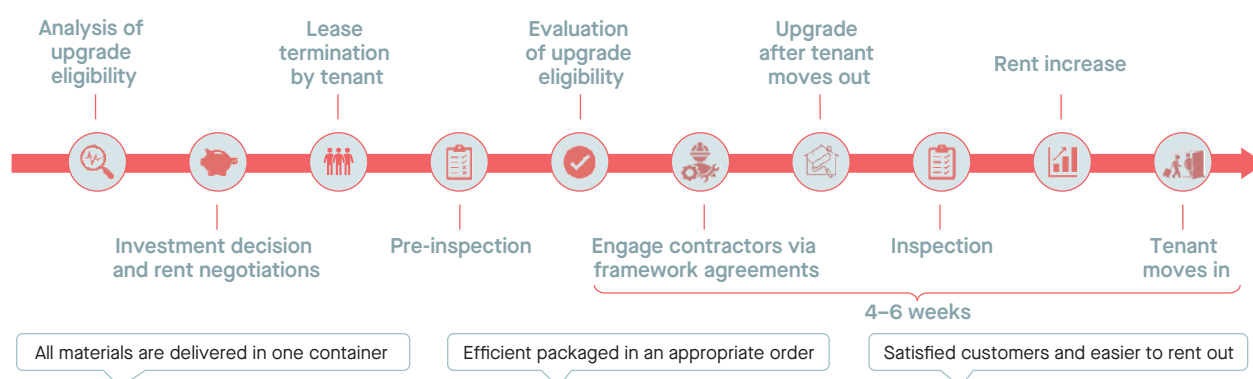
Sveafastigheter’s works systematically to upgrade apartments within its existing property portfolio, with the goal to improve net operating income due to increased rental levels as a consequence of a higher value-of-use evaluation, as well as tenant satisfaction, which in the long term may lead to increased property values and cash flows. The property management organization continuously evaluates the portfolio in order to have good foresight on where possible upgrades should take place, including a data-driven approach and framework agreements in place with local entrepreneurs that are trained and familiar with the Sveafastigheter concept. Sveafastigheter operates with a long-term ownership perspective, placing significant focus on its tenants to ensure that upgrades meet the demand of potential new tenants.

The Company refurbishes apartments when a tenant moves out if deemed value-accretive through measures such as upgrades and energy efficiency improvements, which results in increased rental income as well as reduced operating and maintenance costs. Upgrades are driven by local demand and are only refurbished if the Company deems that the upgraded apartment will be readily leased. The Company estimates that the number of apartments in its property portfolio with upgrade potential amounts to approximately 3,700¹⁾. Rent increases should be reasonable and comparable with other similar apartments in the market, hence upgrades are only done if demand can be identified in advance.

During 2023, the average upgrade costs ranged from SEK 5,000 to SEK 6,000 per square meter, depending on the scope of the upgrades required for any given unit. Based on the particular apartment that is eligible for an upgrade, the upgrade has led to an annual rent increase of approximately SEK 350–500 per square meter, depending on the scope and rent prior to the upgrade, additionally a reduction of maintenance costs by SEK 25–30 per square meter, corresponding to an average yield on cost of approximately seven percent, which, in turn, would entail an increased net operating income of approximately 40 percent per apartment.²⁾ From 2017 to 2023, the Company has upgraded over 1,800 apartments. During that period the organization showed that it could manage upgrades of 900 apartments during one year.

When a tenant gives notice to terminate its lease, the apartment is inspected and, depending on the condition of the apartment, the rent level and the rental market, a decision is made whether to upgrade or not. The scope of the upgrade is determined by the standard of the apartment at termination of the lease. The upgrade process takes approximately four to six weeks depending on the scope, and, during that period, the apartment is reported as vacant, which temporarily affects the economic occupancy rate negatively and rental income.

The upgrade process – an overview



1) The apartments eligible for upgrade are built before the year 1990 with a rent level below SEK 1,200 per square meter.
 2) Based on Sveafastigheter’s average upgrades during 2023 and average rental value of SEK 1,513 per square meter, rent increase of SEK 350–500 per square meter and cost decrease of SEK 25–30 per square meter.

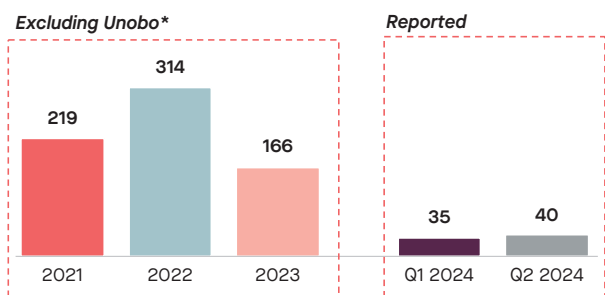


Sveafastigheter has a standardized upgrade process, which ensures a quick turnaround and enables high yield on cost. For example, materials for an apartment upgrade are delivered in one container, efficiently packaged in the right order for a seamless process.

When Sveafastigheter upgrades its apartments, long-term sustainable materials are used.¹⁾ In addition, Sveafastigheter works actively to measure and optimize energy use through data analysis to maintain a high standard of the property portfolio and contribute to a sustainable society. The entire upgrade process is characterized by a strong sustainability focus through the use of materials with a low climate impact and by ensuring that a minimum amount of material goes to waste and that the number of transportations is minimized. Additionally, Sveafastigheter ensures limited material waste by using materials from previous upgrades including home electronics and other material.

Capital expenditures overview – Historical investments in standing assets

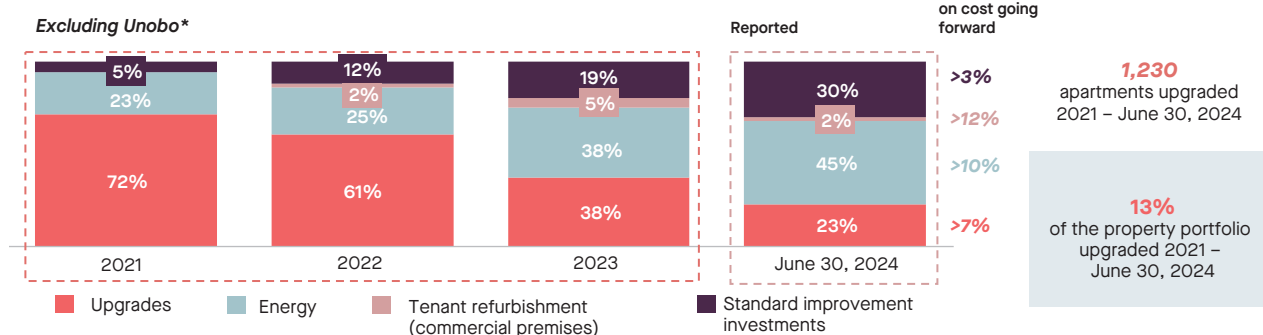
SEK million



* Management accounts for 2021, 2022 and 2023 and does not include Unobo-related properties. Combined financial statement for January 1, 2024 – 31 March, 2024. Unobo-related properties are excluded due to difficulties of extracting and obtaining relevant data from the period in which the properties were part of the joint venture with Riksbyggen.

Capital expenditures overview – Historical investments in standing assets

Reason for investments, 2021 – June 30, 2024



* Management accounts for 2021, 2022 and 2023 and does not include Unobo-related properties. Consolidated financial statement for January 1, 2024 – June 30, 2024.

- 1) Including new finishes, renovated bathrooms, and kitchens.
- 2) Does not include Unobo-related properties.
- 3) For more information on energy efficiency and sustainability, see further section “– Sustainability work – Environmental sustainability – Property management”.
- 4) See further section “– Sustainability work – Environmental sustainability – Climate transition plan”.

Sveafastigheter has historically invested significant amounts into the property portfolio. From January 1, 2021 to June 30, 2024, Sveafastigheter upgraded 1,230 apartments²⁾, corresponding to 13 percent of the property portfolio as of June 30, 2024.

Other investments in the standing asset portfolio

Sveafastigheter’s property management organization has a history of conducting climate-smart upgrades to reduce energy consumption and costs. Since 2020, the Company has conducted energy efficiency upgrades that have resulted in improvements of 27 million kWh. For example, Sveafastigheter has reduced energy consumption and operating costs by, adjusting temperatures, replacing equipment or installing solar panels.³⁾

Furthermore, the Company is well-equipped to meet requirements under the EU’s Energy Performance of Buildings Directive, including reduced energy consumption in residential homes by 25 percent by 2035, as the in-house organization already have implemented energy efficiency investments in a number of its properties.⁴⁾



Overview of scalable investments

Example of fiber investment in Sveafastigheter's properties*

| | | | |
|-----------------------|-------------|--------------------------|-------------|
| Number of apartments: | 165 | Rent increase per annum: | SEK 178,000 |
| Starting year: | 2022 | Yield on cost: | 29% |
| Investment: | SEK 750,000 | | |

Energy project including PV cells, ventilation, web port, new district heating exchangers, additional roof insulation (Hov Dalbogård 3-4, Växjö)

| | | | |
|-----------------------|------|-----------------|----------------|
| Building year: | 1963 | Investment: | SEK 20 million |
| Number of apartments: | 229 | Annual savings: | SEK 2 million |
| Starting year: | 2022 | Yield on cost: | 15% |

Example of water efficiency investment in Sveafastigheter's properties*

| | | | |
|-----------------------|-------------|-----------------|------------|
| Number of apartments: | 219 | Annual savings: | SEK 29,000 |
| Starting year: | 2023 | Yield on cost: | 14% |
| Investment: | SEK 200,000 | | |

Replacement of control equipment and sensors (Barlasten 4, Stockholm)

| | | | |
|-----------------------|------|-----------------|-------------|
| Building year: | 1929 | Investment: | SEK 100,000 |
| Number of apartments: | 16 | Annual savings: | SEK 23,000 |
| Starting year: | 2022 | Yield on cost: | 23% |

* Examples that can be applied to other properties.





New constructions

Overview

Sveafastigheter's new constructions consist of ongoing construction, project development and the creation of building rights. The portfolio is located in areas with strong fundamentals and primarily focused on the Stockholm-Mälardalen region as well as selected university cities¹⁾, with approximately 100 percent of Sveafastigheter's property value at completion located in these areas. In total, the new construction portfolio is expected to add an additional property value of SEK 18 billion and approximately 7,910²⁾ new apartments when completed.³⁾

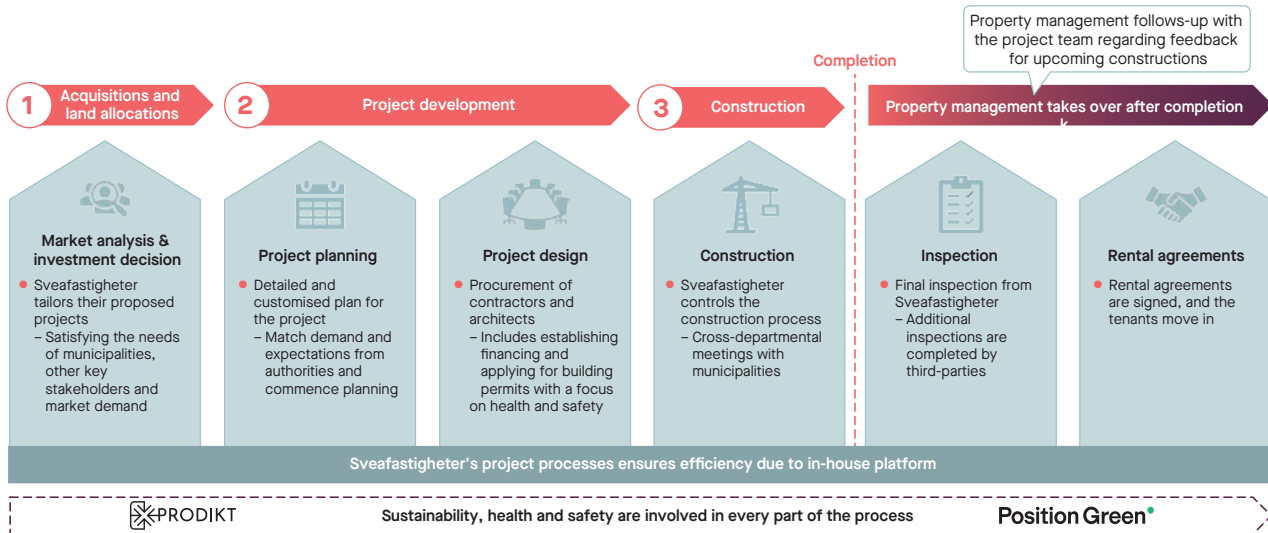
Sveafastigheter develops modern homes of high quality with a focus on municipalities with population growth, good employment rate and a stable rental market. The work on new construction is characterized by a strong focus on environmental, social and economic aspects. The Group uses environmentally friendly materials of high-quality and integrates modern energy solutions such as solar panels and other environmentally friendly solutions for long-term management.

Sveafastigheter has a competent, loyal and experienced in-house project development team, with a strong local presence and understanding of local needs that will contribute to value and growth for the Company over time.⁴⁾ Additionally, the project development team has an extensive experience of complex urban development

projects with a limited employee turnover rate, which has fortified the Company's collaborative ties with municipalities, contractors, and architects, ensuring that valuable expertise is retained and leveraged for future growth.

The new constructions team has an extensive experience in urban development, focusing on the creation of buildings that balance cost-efficiency and sustainability. The team is committed to delivering high-quality architectural designs, while also ensuring that apartment layouts can be tailored to meet the anticipated needs of tenants. To achieve these objectives, Sveafastigheter engages with external contractors who are tasked with the production of these properties, adhering to the Company's stringent standards for quality and efficiency.

The Company uses a structured process and has a well-established platform for new constructions as summarized in the following chart. Sveafastigheter works actively to establish efficient processes for handling building permit applications and other permit processes. Efficient administrative processes help to shorten lead times for projects as a whole. The chart below describes Sveafastigheter's project process, which begins with acquisitions and land allocations, followed by project development and construction as well as inspection and rental agreements. The entire project process is characterized by sustainability with a focus on health and safety across every project phase.

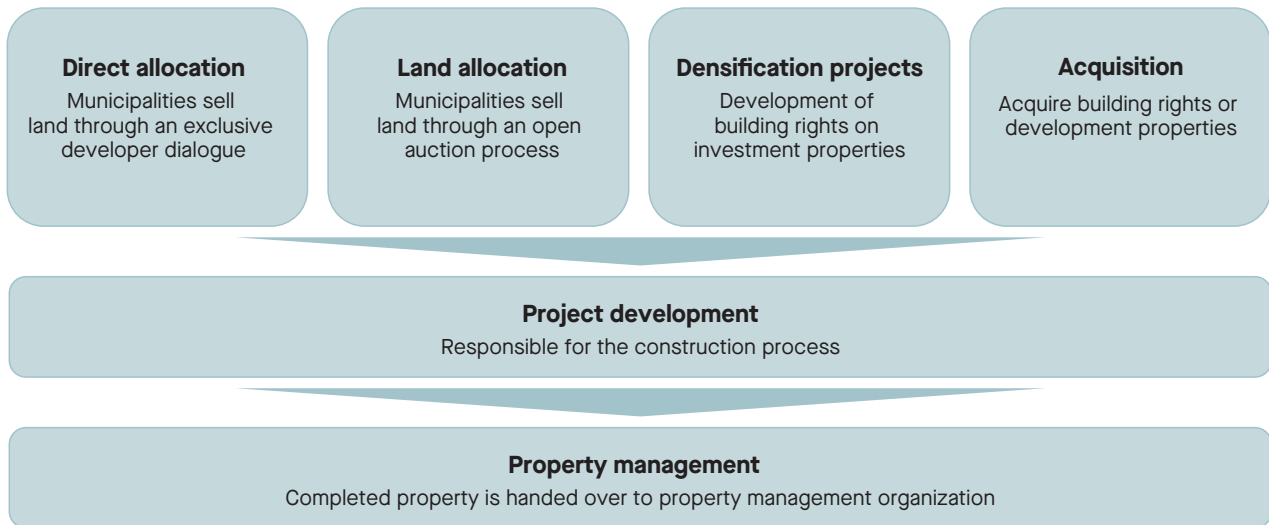


1) Refers to university cities included in Sveafastigheter's property portfolio, as set out in section "Business overview – The property portfolio – Standing asset portfolio deep dive as of June 30, 2024".

2) Apartments includes condos, however, excluded from property value.

3) New constructions at completion based on external valuations as of June 30, 2024.

4) The Company has full in-house capacity for acquisition and land allocation as well as project development and the construction team has full in-house capacity for management.




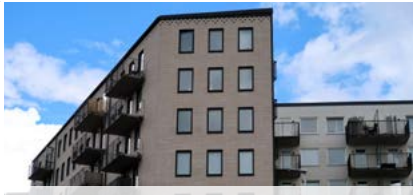


Sveafastigheter's focuses on high standard including modern appliances such as dishwashers, washing machines and dryers. Since the washing machine and dryer are located in the apartments, the standard of living for the tenants is raised, and the need for a shared laundry room is reduced, which means that more space within each building can be used for residential purposes. Sveafastigheter consistently chooses materials based on the Group's experience of what the tenants perceive as

creating added value and comfort as well as what is suitable for long-term property management and cost efficiency.

Sveafastigheter mainly builds rental apartments, but can also develop condominiums. As of June 30, 2024, Sveafastigheter had approximately 1,300 condominiums in the project development portfolio located in the Stockholm-Mälardalen region.

Example of completed projects

| | | | |
|---|--------------------------------|--|--------------------------------|
|  | 100% economic occupancy* |  | 100% economic occupancy* |
| Bägaren 7, Skellefteå | | Sandhammaren, Kävlinge | |
|  | 100% economic occupancy* |  | 100% economic occupancy* |
| Ströpsta, Nykvarn | | Sländan, Södertälje | |

* As of June 30, 2024.

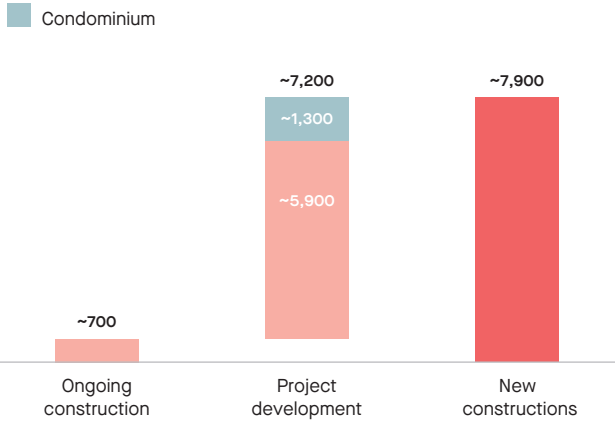
As of June 30, 2024, approximately 85 percent of the new construction portfolio was located in the Stockholm-Mälardalen region. As of the date same date, the portfolio in Stockholm-Mälardalen region consisted of SEK 15.3 billion in property value, comprising approximately 5,200 apartments, and the portfolio in university cities¹⁾ consisted of SEK 2.6 billion in property value comprising approximately 1,360 apartments²⁾.

1) Refers to university cities included in Sveafastigheter's property portfolio, as set out in section "Business overview – The property portfolio – Standing asset portfolio deep dive as of June 30, 2024".

2) Excluding condominiums



Number of apartments

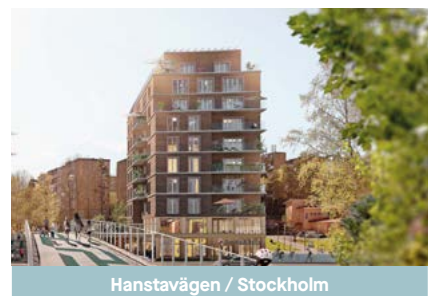


| New constructions | Property value (SEK billion) | Number of apartments |
|------------------------|------------------------------|----------------------|
| Stockholm – Mälardalen | 15.3 | 5,197 |
| University cities | 2.6 | 1,356 |
| Other | 0.1 | 45 |
| Malmö – Öresund | 0.0 | 14 |
| Total | 18.0 | 6,612 |
| Condos | n/a | 1,300 |

A selection of the ongoing construction and project development

Ongoing construction

Project development



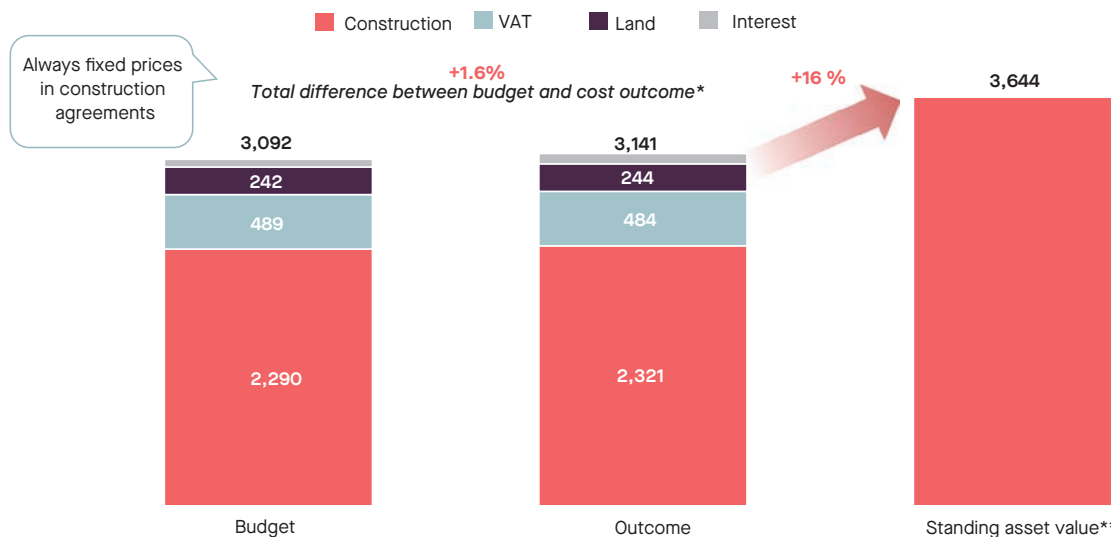
Completed in 2024



Given the Company's in-house project development team with a long history in the industry, there is a continuous focus on cost reduction to increase margins.¹⁾ From 2020 until June 30, 2024, the development team had developed apartments with an annual net operating

income from completed projects corresponding to SEK 149 million²⁾, a value creation at completion corresponding to approximately 16 percent and a yield on cost of 5 percent.³⁾

Historical development projects within Sveafastigheter's project development organization (SEK million)



* Volatility in the budgeting implies that some projects are above and other are below the average.

** Refers to the completed value on projects displayed in the example budget and outcome.

Sveafastigheter monitors its construction projects closely and has historically proven its ability to complete projects with set budgets. The development team's experience provides the Company with good understanding of project costs, underpinned by an in-house cost control model that evaluates the impact of expenditures on profit margins. In general, approximately 85–90 percent of the building costs are predictable following Sveafastigheter's standardized building description and having an in-house project team, see section “– Organization and employees” for further information. The remaining approximately 10–15 percent is location specific costs including foundation, noise, and local adaptations. The project management organization works with medium-sized contractors to estimate costs at an early stage, which allows for lower costs and long-term strong relationships.

Sveafastigheter has a historical track record on limiting the impact of price fluctuations over time. The Company's in-house project team seeks to ensure cost-efficient projects through its in-house construction competence and internal processes and procedures.

The Company's new construction portfolio had an average development cost, including land, as of June 30, 2024 that amounted to approximately SEK 45,000 per square meter⁴⁾, which is just above the net production cost for all of Sweden at approximately SEK 42,600 per square meter, for more information see section “Market overview – Introduction – The Swedish rental residential market for new construction”. Sveafastigheter believes that its average development costs exceed the national average due to its focus on the Stockholm-Mälardalen region.

1) For land acquisition and land allocation as well as project development, the Company has full in-house capabilities and for new construction, the Company has full in-house project leadership.

2) Based on Sveafastigheter's historical developments with a separate project organization which will remain following the Offering.

3) Figures based on Sveafastigheter's historical developments with a separate project organization which will remain following the Offering. The figures represent data from 2020 to March 31, 2024.

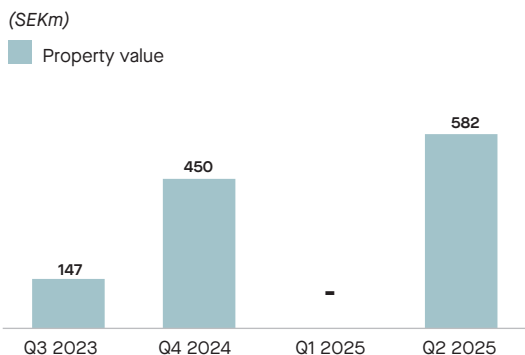
4) This average development cost does not include projects for condominiums.



Ongoing construction

As of June 30, 2024, Sveafastigheter had invested SEK 805 million in ongoing construction projects which it plans to complete during 2024 and the first half of 2025. The Company expects to invest another SEK 306 million in these projects. The ongoing construction portfolio consists of approximately 690 apartments and, once completed, Sveafastigheter expects that these ongoing construction projects will be valued at approximately SEK 1.2 billion in property value at completion. As of June 30, 2024, the ongoing construction projects were deemed to contribute with SEK 65 million in run-rate rental value at completion.¹⁾

The graph below illustrates the completed property value of ongoing construction projects during the coming quarters.



Ongoing construction projects to be completed in 2024 – June 30, 2025²⁾

| Project | Region | Acquired/developed | Completion | Size | | Estimated rental value ¹⁾ | | Investments (incl. land) | |
|---|------------------------|--------------------|------------|----------------------|-------------------------|--------------------------------------|-----------|--------------------------|----------------------|
| | | | | Number of apartments | Residential area, sq.m. | SEK million | SEK/sq.m. | Total, SEK million | Accrued, SEK million |
| Kasernehöjden 1, etapp 3 | University cities | Acquired | July 2024 | 80 | ~3,400 | 8 | 2,373 | 139 | - |
| Kv Jullen | University cities | Developed | May 2025 | 180 | ~8,350 | 14 | 1,726 | 236 | 237 |
| Barnmorskan | University cities | Developed | June 2025 | 223 | ~5,730 | 17 | 2,950 | 295 | 179 |
| Årby Norra I och II – Eskilstuna/fd Notarien 19 | Stockholm – Mälardalen | Developed | Nov 2024 | 206 | ~11,600 | 26 | 2,247 | 441 | 389 |

Estimated property value of SEK 1.2 billion

1) Based on external valuations as of June 30, 2024.

2) Based on external valuations as of June 30, 2024.



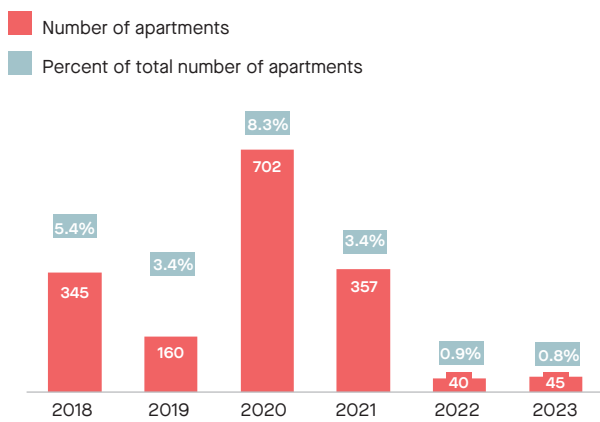
Project development

Sveafastigheter continuously reviews and identifies land in attractive micro-locations with strong underlying fundamentals, including, among other things, good connections to key labor markets. The Group’s development work includes customer and needs analysis, analysis of zoning plan regulations, technical construction conditions and sustainability requirements, as well as active participation in municipal land allocations. Sveafastigheter’s strategy is to use its local presence to identify building rights suitable for markets with long-term demand for housing, and to

work closely with municipalities facilitating the acquisition of building rights in locations with limited vacancy and rental risk. The Group’s long-term cooperation and engagement with key municipalities has proven to result in regular building rights.

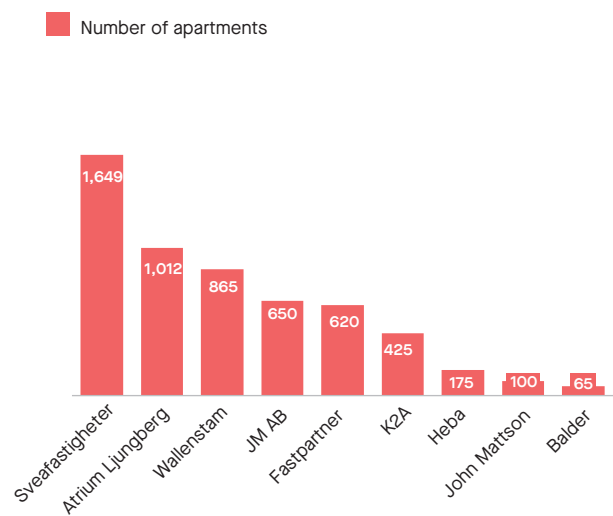
Sveafastigheter has a history of receiving land allocations with more than 2,300 apartments received on land allocations 2021–2023. Additionally, more than 76,000 square meters of buildings rights generated on standing assets during 2022–2023.

Sveafastigheter’s number of apartment building rights and percent of total apartments allocated in the city of Stockholm (2018–2023)



In Sveafastigheter’s experience, the Company has stable relationships with municipalities in the regions where the Company has carried out and intends to carry out new construction projects in the future. Additionally, Sveafastigheter’s success can be attributed to its experienced in-house project development organization, strong local presence with understanding of micro locations and local needs, data-driven approach to analyzing demand, long-term relationships with key stakeholders and its ability to handle different types of projects.

Overview of number of apartment building rights in land allocations in the city of Stockholm (2018–2023)



Most land allocations are received based on long-term relationships and ability to tailor the proposals to municipalities needs and deliver as expected

“Sveafastigheter delivers on promises, investing in residential that are needed. They have good design, quality and build on time. In existing projects, they have shown that they can build for the target group we have in mind”

Chairman of the board for Uppsala municipality

“When Nacka municipality builds new residential, it is not about the numbers. It is about a long-term focus and building residential where people want to live. Thus, Sveafastigheter is a good partner”

Chairman of the board for Nacka municipality



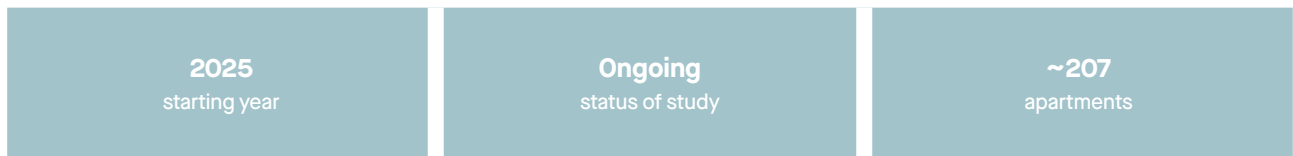
Sveafastigheter actively works to develop residential for its own management that are adapted to the current site and the geographical location. The principle is that a project should be adapted to the individual conditions in the specific area in which the project is located. Sveafastigheter also utilizes experience and ongoing feedback from tenants, and municipalities from previously completed projects. The Group sees it as an important part of Sveafastigheter’s business to build knowledge about the expectations and requirements for upcoming projects through frequent contact with existing and potential tenants.

By analyzing data on market, customer segments, competition, demand, prices and trends, Sveafastigheter can optimize its projects and create value for the Group’s stakeholders. In addition, Sveafastigheter actively collaborates with municipalities, and can thus explore and identify opportunities to improve the urban environment and promote sustainable solutions for society. The Group’s

long-term cooperation and engagement with municipalities has also proven to result in regular land allocations.

Sveafastigheter continuously challenge the methods to improve project development. For example, Sveafastigheter are planning to build two houses on adjoining land built with different construction material, one is made of concrete, and one is made of wood. The projects are then compared across various metrics to further enhance Sveafastigheter’s understanding of materials for future projects. The analysis is designed to provide a comprehensive evaluation of the environmental impact, encompassing life-cycle greenhouse gas emissions and biodiversity considerations, alongside an assessment of the work environment at the construction sites and tenant satisfaction. The outcome of the analysis gives the Group an insight into which materials and products that would be suitable for tenants’ current and future requirements and needs.

Case study: Skogselvan



Sveafastigheter has a project development portfolio consisting of approximately 7,220 new apartments with full optionality and a run-rate rental value at completion of approximately SEK 900 million.¹⁾ The project development

portfolio’s total property value amounts to SEK 17 billion when completed.²⁾ Approximately 90 percent of the project development portfolio³⁾ is located in the Stockholm-Mälardalen region.

1) Apartments includes condominiums, however, excluded from rental value.

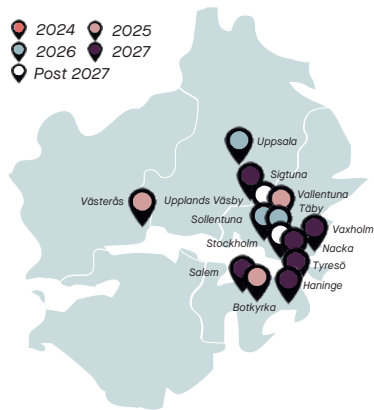
2) Rental value and property value at completion based on external valuations as of June 30, 2024. Excluding condominiums.

3) Including condominiums.

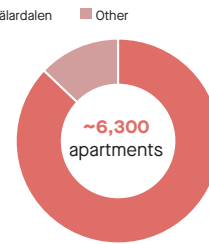
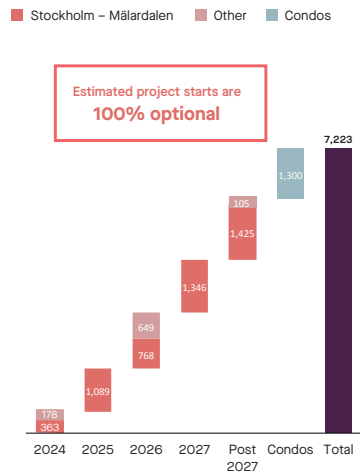


An overview of the Stockholm-Mälardalen project development portfolio (not yet started)

Average year of potential building start



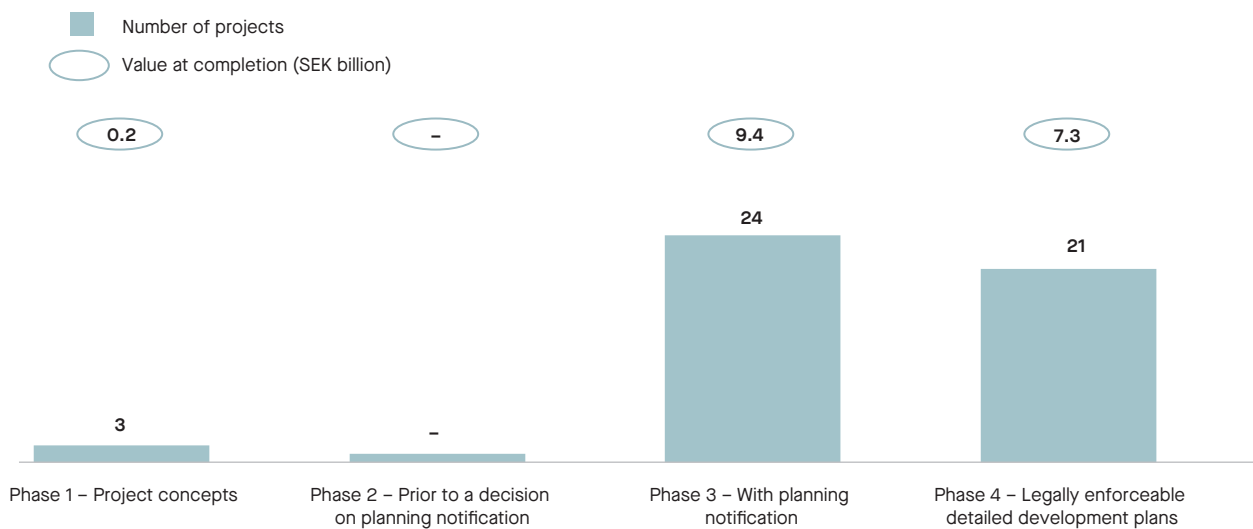
Potential building start (number of apartments)*



| Municipalities | Number of apartments | Prop value (SEK billion)** | Rental value (SEK million)** |
|----------------------------------|----------------------|----------------------------|------------------------------|
| Stockholm | 2,322 | 7 | 363 |
| Nacka | 450 | 1 | 80 |
| Tyresö | 445 | 1 | 36 |
| Botkyrka | 372 | 1 | 58 |
| Uppsala | 248 | 1 | 61 |
| Other municipalities | 1,154 | 3 | 166 |
| Stockholm - Mälardalen | 4,991 | 15 | 765 |
| Other projects*** | 932 | 2 | 114 |
| Total project development | 5,923 | 17 | 879 |
| Condos | 1,300 | n/a | n/a |

* Potential building starts are optional and may differ from actual building starts.
 ** At completion based on external valuations as of June 30, 2024.
 *** Consists of projects in university cities, Malmö-Öresund and other.

Below is a summary of the phase of the different projects, the majority of which are in a later phase.



Building rights development

Sveafastigheter has the ability to develop building rights through densification within and adjacent to its current properties, such as parking areas that are not in use. As of June 30, 2024, Sveafastigheter had 344,000 square meters of building rights, of which 123,000 square meters have gained legal force. The operations include densification on existing properties and acquisition of adjacent

properties with existing building rights or building rights potential. The Group's development opportunities on its own land, in the form of building rights within the existing property portfolio, have increased over time. Sveafastigheter's organization is characterized by skill in identifying building rights that Sveafastigheter finds suitable in markets with long-term demand for residential properties.



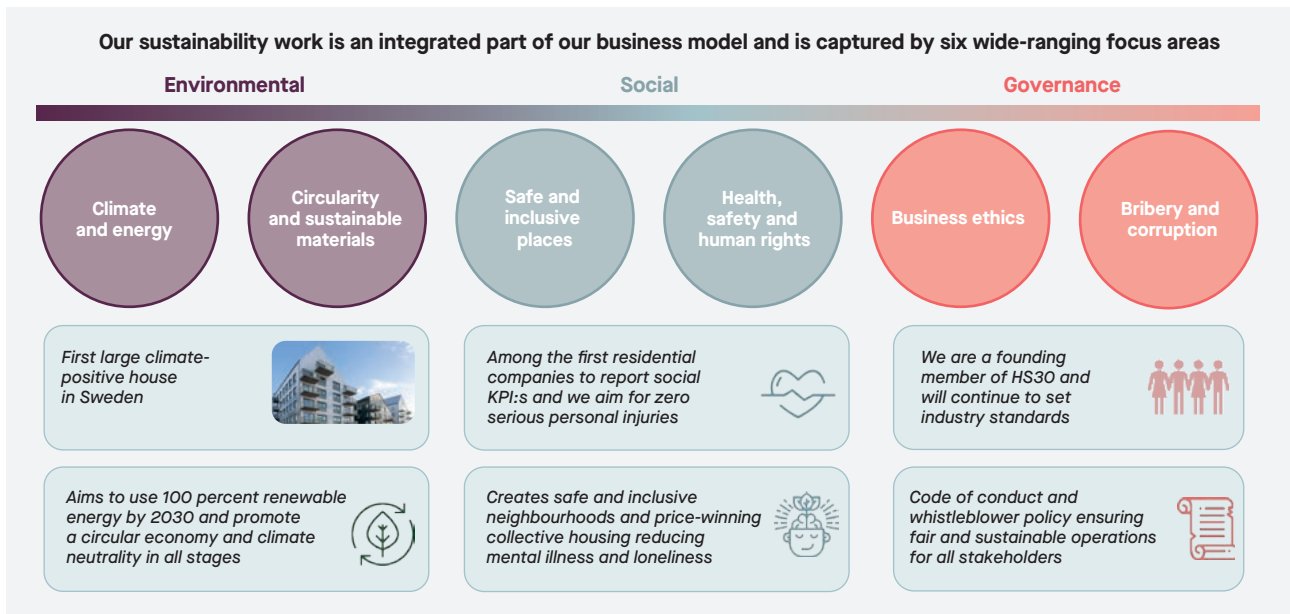
Sustainability work

Sveafastigheter works to promote sustainability across its operations and value chain. The overarching aim is to develop sustainable and safe living environments, which involves offering energy-efficient residential in attractive locations that promote mobility and interact with the surrounding community. The Company has established a sustainability organization to govern and coordinate sustainability-related workstreams. In spring of 2024, a climate target working group was established to develop a Climate Transition Plan towards climate neutrality. The plan will include emission reduction targets for upfront and operational carbon in line with the newly published¹⁾ Science Based Targets initiative (“SBTi”) methodology for the building sector. Sveafastigheter intends to submit targets for validation during 2024. The sustainability group is led by the head of sustainability who reports to the management, and it has identified a number of key actions for the sustainability organization during the second half of 2024:

- 1 Develop a **Climate Transition Plan**, including emission reduction targets in line with the newly published SBTi methodology for the building sector and with the long-term aim of reaching climate neutrality
- 2 Improve and expand **data collection** across the business, and develop enhanced processes for **monitoring and reporting** of ESG-related data
- 3 Continue to manage, and regularly re-assess, **climate related risks** for both new constructions and existing properties, with an aim to perform annual climate risk assessments on all properties*
- 4 Prepare for **CSRD** reporting, including current **Taxonomy** alignment, assess **EPBD** positioning, and integrate **TCFD** and **TNFD** considerations in sustainability strategy
- 5 Review existing **sustainability KPIs** and establish relevant reporting metrics and targets

* In December 2022, Morgan Stanley Capital International performed a climate risk assessment of SBB’s wholly owned residential portfolio, indicating that over 97 percent of the portfolio value has a ‘very low’ exposure, and 1 percent ‘high or very high’ exposure, to physical and transition climate risks.

Sveafastigheter’s sustainability work is an integrated part of its business model and follows six focus areas.



Sveafastigheter’s sustainability efforts are an integrated part of the Company’s property development processes and project development. Energy efficiency initiatives is a

key part of the strategy, reducing both CO2 emissions and costs. Additionally, the Company works systematically to mitigate negative sustainability impacts at a Group level.

1) As per the date of the Offering Circular.



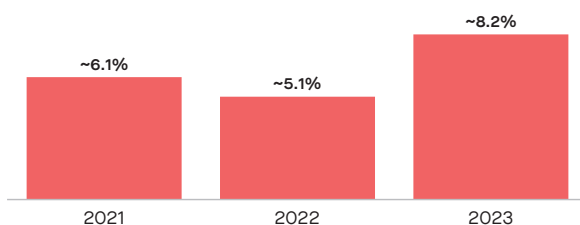
Environmental sustainability

Property management

Development processes emphasize energy efficiency and impact improvement. Sveafastigheter has an established routine to identify energy efficiency upgrade potential. A technical manager together with local technical property managers review energy data on a monthly basis. The aim of the review process is to identify the 20 worst-performing properties in terms of energy efficiency (based on energy declarations). Subsequently, improvement measures are identified and implemented on the relevant properties.

The Company aims to reduce energy consumption by at least five percent annually. Over the past three years, the Company has achieved this goal, as illustrated in the graph below.

Annual decreases of like-for-like* energy usage



* Like-for-like calculations based on a sample of properties deemed to be comparable, with comparability determined by properties being owned by Sveafastigheter for at least 2 years with measurable data for both of those years as well as data coverage of more than 95 percent.

Since 2020, Sveafastigheter has implemented energy usage improvements of 27 million kWh, and the Company has a strong history of climate-smart upgrades in property management, as illustrated below. The Company estimates a yield on cost of 10 percent on energy efficiency investments going forward.

History of climate-smart upgrades

| Property | Investment (SEK) | 2022 (kWh) | | 2023 (kWh) | Change (kWh) | Change (%) |
|---------------|------------------|------------|---|------------|--------------|------------|
| Kallhäll 1:24 | 70,000 | 547,567 | ➔ | 453,979 | 93,589 | 17 |
| Fakiren 3 | 450,000 | 290,774 | ➔ | 229,673 | 61,101 | 21 |
| Fjärilen 17 | 15,000 | 304,409 | ➔ | 247,949 | 56,459 | 19 |
| Rönnbäret 1 | 350,000 | 208,783 | ➔ | 156,673 | 52,111 | 25 |
| Krämarens 4 | 1,200,000 | 982,009 | ➔ | 736,299 | 245,710 | 25 |
| Jörsön 7:6 | 20,000 | 1,517,827 | ➔ | 1,334,248 | 183,579 | 12 |





Case study (Marknadshagen 15–17, Norrtälje)

Actions:
 Reduced usage of district heating and installation of geothermic heating and hybrid solar cells

~ SEK 20 million investment

~34% district heating saving

The upgrade process also focuses on reducing climate impacts from materials through a variety of measures.

| | |
|--|--|
| Reused materials | Choice of materials with low climate impact |
| Decrease of transportation by one delivery for all materials | Minimized material waste by using spill materials from previous upgrades |

New constructions

Environmental sustainability is fundamental to Sveafastigheter’s project development. By constructing with good quality and energy efficiency, the property’s lifespan is extended. Given that the Company’s new construction projects represent a significant part of Sveafastigheter’s emissions, it is important for the Group to make long-term sustainable decisions at an early stage. All new constructed properties are expected to be classified as green certified buildings.

As part of its overall climate ambition¹⁾, Sveafastigheter has set an ambition to reduce the emissions intensity of new construction projects to 110kg carbon dioxide emissions per square meter gross floor area by 2030. The Company has a proven track-record of minimizing the climate impact in new projects. Sveafastigheter’s environmental goals include the entirety of its climate footprint, including installations and interior finishes, which is more than required in Boverket’s climate declaration.



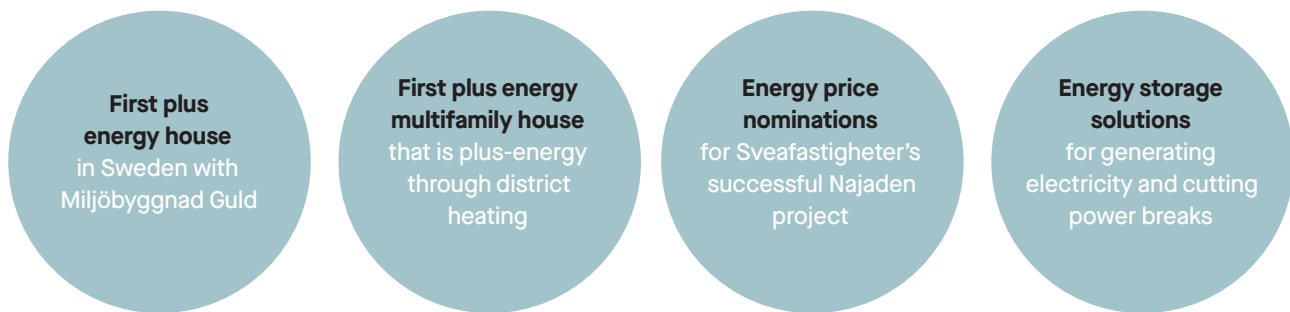
1) See further under “Climate transition plan”.



Project managers use the sustainability platform Prodikt, through which the sustainability performance of materials is reported using the Environmental Product Declaration or, when this is unavailable, generic data from the Swedish National Board of Housing, Building and Planning's climate database. Project managers enter the conditions of the

building and the proposed materials to be used, and Prodikt calculates the total climate impact of the entire building. In this way, the project managers can adjust the use of materials so that the climate footprint is in line with Sveafastigheter's climate transition plan.

Sveafastigheter has been at the forefront of implementing new energy efficient solutions in Sweden



Sweden's first large plus-energy building

In 2018, Sveafastigheter built Sweden's first large plus-energy house in the Neptun block in Västerås, which was certified with Miljöbyggnad Gold. The roofs are covered by 1,210 square meters solar cells that produce 250,000 kWh of electricity per year, which is more electricity than the house consumes on an annual basis and surplus energy can be sold to external parties. Neptun's plus-energy technology has also been evaluated and applied in other construction projects, for example in the research project Betongbyggglådan where the same method and technology was used, but with half the carbon dioxide emissions. In the Najaden project in Västerås, batteries have also been connected to the solar cells on the roof to reduce power peaks.

Reduced carbon emissions by 40 percent through the use of lean construction, recycled reinforcement and climate-enhanced concrete

In the autumn 2021, construction started on the Näckrosen block in Jordbro, Haninge, which, with the knowledge from the research project Betongbyggglådan, is built with an optimized frame, recycled reinforcement and climate-improved concrete in the foundation slab, cast-in-place basement walls and sub-castings. These measures are estimated to reduce carbon dioxide emissions by at least 40 percent, compared to traditional methods.



Initiator of HS30¹⁾

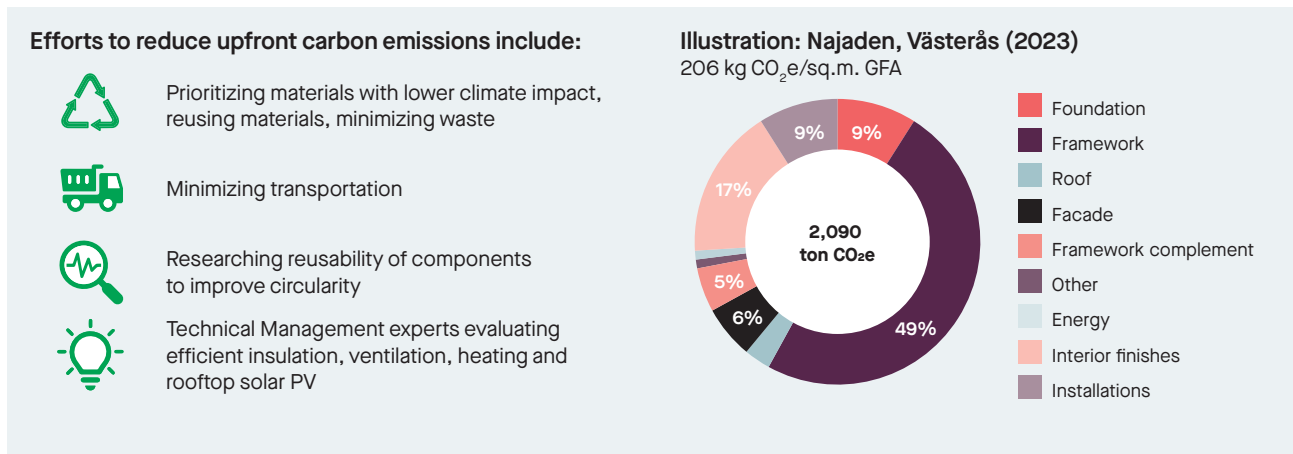
HS30 is a sustainability forum where actors from the residential development sector in the Mälardalen region gather to transparently share knowledge and contribute to concrete actions in environmental, economic and social sustainability. This can involve issues as how operations work with life-cycle analysis, reducing carbon dioxide emissions, promote urban ecosystem services, and how the industry can develop safe residential areas where people thrive.

Climate transition plan

Sveafastigheter has a long-term ambition to become a climate neutral company. The recently established climate target working group will aim to set emission reduction targets for upfront and operational carbon in line with the newly published²⁾ SBTi methodology for the building sector, as further illustrated below. Sveafastigheter aims to submit its targets for validation during 2024. As part of the overall ambition to reduce its climate footprint, Sveafastigheter aims to use 100 percent renewable energy for Sveafastigheter’s properties by 2030 and an overarching ambition to promote a circular economy. All of the Company’s electricity consumption aims to be covered by Guarantees of Origin, and all buildings, where technically and economically feasible, are to be made solar ready.

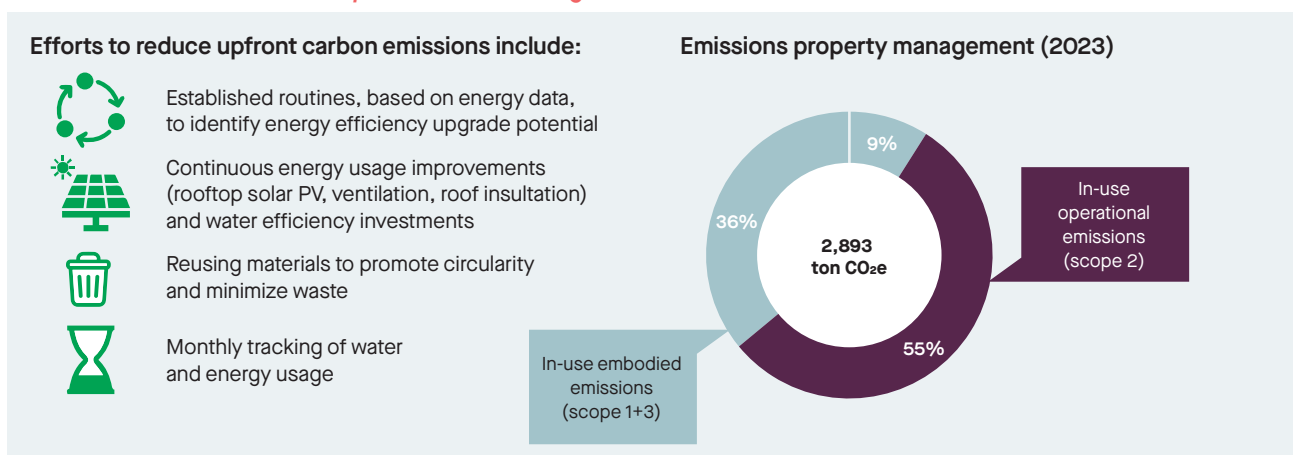
Upfront carbon emissions (production and construction stages)

Emissions associated with the production of materials and the construction of a building



Operational carbon (use stage)

Emissions associated with the operation of a building



1) Hållbart Stockholm 2030.
2) As per the date of the Offering.



Going forward, the Company will work to further develop rigorous data collection on GHG emissions, submit interim climate targets for validation with the SBTi and to develop its climate transition plan further, building on the actions below.

Key initiatives to realize Sveafastigheter's climate ambition

Energy efficiency

The Company's Technical Management Experts monitor the energy performance of the entire property portfolio and determines the most appropriate measures for each property. Examples of such measures include installing heat pumps and solar panels, and improving insulation and ventilation.

Resource management and circular material flows



Reused materials are used in upgrades, such as interior doors and linings. Sveafastigheter also conducts research on the reuse of heavy building components together with an experienced architectural firm, a sustainability platform and researchers at KTH.



Material waste is minimized by using materials from previous upgrades first in any new project.



Choice of materials with low climate impact whenever possible, such as fix, joints and appliances.



Decrease of transportation is achieved by offering one delivery for all needed materials.

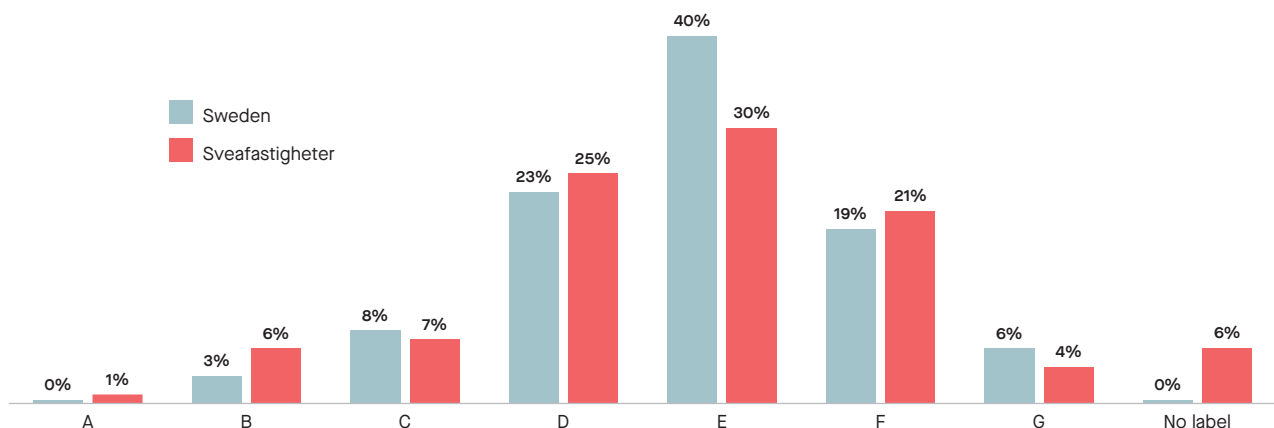
Assess the Energy Performance of Buildings Directive ("EPBD") positioning

The EPBD aims to at least double annual energy renovation rates¹⁾ of commercial and residential properties, gradually phasing out the worst-performing building stock. The bill, as it currently stands, is therefore estimated to increase annual renovation rates in the EU to 2 percent (from today's 1 percent)²⁾. Sveafastigheter has a plan to assess Sveafastigheter's EPBD positioning and how to reach the goals and requirements. In addition, Sveafastigheter has warm rent (rent including heating etcetera), resulting in good return on energy efficiency investments (8–15 percent). Sveafastigheter believes that its property portfolio energy classification distribution is broadly in line with the national energy classification distribution, based on property value.

Key factors driving the transition

- ✓ Energy efficiency investments
- ✓ Sustainable building of new properties
- ✓ Climate efficient property management
- ✓ Circular material
- ✓ Climate compensations

Sveafastigheter's energy classification distribution compared to overall Sweden*



* Both Sweden and Sveafastigheter percentages are calculated based on number of apartments.

1) The aim to double renovation rates was put forth in the European Commission's 2020 Renovation Wave strategy. The revised and strengthened Energy Performance of Buildings Directive is the key building blocks to achieve this aim.
 2) Buildings Performance Institute Europe.

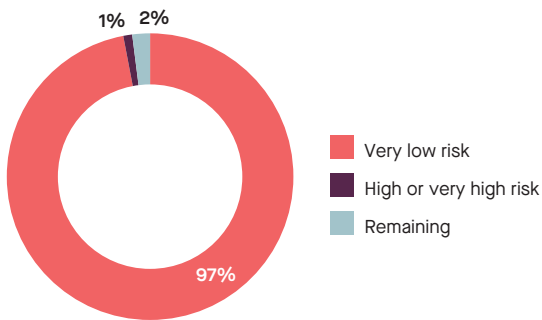


Climate risk analysis

Sveafastigheter’s entire property portfolio will go through an annual climate risk assessment which will provide the foundation for assessing both physical and transition risks as part of the wider risk management work. The analysis will cover climate related risks for both new constructions and existing properties and is performed by Morgan Stanley Capital International, based on established and scientifically based scenarios such as IAM, GCAM4, SSPs and ECMWF. Currently, the climate risk analysis covers the

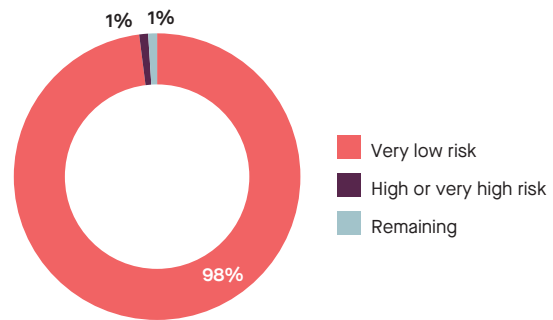
old SBB portfolio, but will be extended to the entire property portfolio going forward. This analysis serves as the foundation for the management’s risk mitigation efforts. For further information on climate risks related to Sveafastigheter, refer to section “Risk factors – Risks related to Sveafastigheter’s operations – Sveafastigheter may fail to achieve its sustainability ambitions and meet ESG standards or requirements set out by authorities, investors and other stakeholders”.

Physical risks (% of value)*



* Measured as a percentage of value.

Transition risks (% of value)*



* Measured as a percentage of value.

Social sustainability

Safe, diverse and inclusive communities

Sveafastigheter works actively to create safe and attractive communities and promote an inclusive environment. Social value creation is prioritized in all its neighborhoods and communities. The Company’s social sustainability work builds on two pillars.

Safe and inclusive communities

Sveafastigheter works with social sustainability in practice, by creating homes and neighborhoods with consideration for the people who will reside and stay

there. This is done with sensitivity to and in close dialog with municipalities, local actors and people who reside and stay in the area concerned. Sveafastigheter works to ensure that neighbors are more than just a name on a door – examples of this are that some properties offer social areas both indoors and outdoors, common areas, cargo bike pools and electric carpools, neighborhood activities, as well as social contracts to municipalities.

The work to contribute to safe and inclusive communities is supported by Social Sustainability Assessments, which are conducted in the early stages of all new constructions.

Safe and inclusive communities

We contribute with a strong foundation for our neighbourhoods and local communities

- ✓ **Pleasant and safe environments**
Security and community that make every tenant feel safe and at home
- ✓ **Belongingness** – Neighbours should be more than a name on a door
- ✓ **Local presence** – Active engagement and interaction with our communities
- ✓ **Trusted landlord** – Value-driven approach to build trust among our tenants

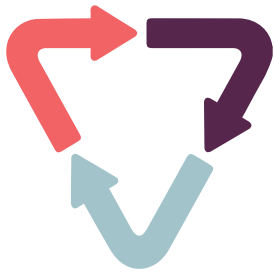
Diversity and equal opportunity

We contribute with solutions for societal challenges and rising inequalities by collaborating with our local communities

-  Organization for safety in Jordbro’s community
-  Organization for youth in Östberga
-  Organization that supports mothers in socio-economically vulnerable areas
-  Organization for youth’s active lifestyle
-  Innovation hub



3. ... and a social impact assessment to ensure a safe housing environment



1. We perform own research on:

- ✓ Demography
- ✓ Housing distribution
- ✓ Safety measurements
- ✓ Conversations with local associations
- ✓ Impressions from site visits

2. ...combined with municipalities' needs and analyses...

Diversity and equal opportunity

Sveafastigheter produces varied housing options in some of the new constructions to suit different lifestyles and needs, including youth housing, collective housing and special needs housing. In these properties, an inclusive housing environment is created and residential can be adapted for different target groups, optimizing the use of resources. To promote a sense of community among tenants, inner courtyards with a barbecue area, playground etcetera are also built. Some examples include:

Prize-winning collective housing aimed at reducing mental illness and loneliness

In 2021, Sveafastigheter's first collective house, Rudbeckia in Uppsala, was completed. Rudbeckia is built to increase the sense of community in order to reduce mental illness and loneliness.

Prize-winning senior citizen housing aimed towards increasing interactions among the elderly

Sveafastigheter has senior citizen housing with a community focus that promotes interaction among the elderly, for example Hydran in Västerås and Drabanten¹⁾ in Upplands Väsby.

The social sustainability work goes beyond building properties to supporting the local community, where Sveafastigheter has active collaborations with local associations such as ChangersHub, En Frisk Generation, Vi Tar Plats and Jordbro i Samverkan.

Health, safety and human rights

Health and safety throughout its operations is essential to Sveafastigheter. Hence, the Company is aiming to achieving the following:

- ▶ **Zero serious personal injuries**, refers to both own and hired personnel as well as on-site personnel.
- ▶ **Robust processes** to promote good working conditions both internally and **throughout the supply chain**.
- ▶ **Risk assessments** will be conducted to identify potential negative impacts and **measures are implemented** to prevent or mitigate identified human rights risks in our value chain.

Processes are in place to ensure safety and well-being at the workplace, as well as fair and decent working conditions. To this end, Sveafastigheter has implemented an instruction for workplace crime and work environment. The instruction is applicable to all investments above SEK 20 million and where estimated contract duration exceeds one year. The aim of the instruction is to eliminate workplace crime in all projects owned by Sveafastigheter and ensure continuous and systematic efforts related to work environment in support of zero accidents.

In accordance with the instruction, checklists are completed at the beginning of projects, in conjunction with continuous site visits from the project manager, and in the event of audits following identified working environment breaches. The checklists cover *inter alia* working environment plan, working environment risk assessment, accidents and near-misses, and safety and environmental inspections. Moreover, Sveafastigheter uses an external part to keep track of all personnel on site and to ensure that unauthorized people are not on the premises.

Incidents and accidents in Sveafastigheter's projects are to be reported immediately reported to the project manager and registered in the protocol. A new HSE (Health, Safety and Environment) reporting framework covering the Company's operations as a whole will be implemented in 2024, covering health and safety incidents and accidents (hereunder serious near-misses and accidents, Lost Time Injuries and Lost Time Injury Frequency), environmental incidents and extreme weather events.

Governance

Sveafastigheter's Code of Conduct must be adopted and followed by all employees and partners, including suppliers. It specifies the minimum requirements that Sveafastigheter places on the Company, its employees and suppliers. The Code of Conduct makes everyone contributors to a responsible, sustainable and ethical business.

The Company is committed to early detection and investigation of irregularities and/or misconduct, and has set up a whistleblower service, under which employees, partners and other stakeholders can provide information under total anonymity. All cases, complaints and reports are received and investigated by a third party. All matters received by the whistleblower service are investigated and, when relevant, acted upon.

Sveafastigheter pursue high business ethics and integrity in all levels of the organization. Corruption, fraud and money laundering are always actively countered, and employees are always expected to work in accordance with Sveafastigheter's values, principles and interests. To ensure a compliance organization, guidelines regarding bribery and corruption are included in the code of conduct.

1) Drabanten was developed by Sveafastigheter but was divested to Kåpan in the dissolution of the Hemvist joint venture.



Sveafastigheter's strengths and competitive advantages

Sveafastigheter's management has identified the following strengths and competitive advantages, which enable the strategy to be realized and the Group to achieve its long-term goals.

Experienced management organization

The experienced and decentralized property management organization with a local presence enables active and value-creating property management with short decision paths. The management organization consists of local property managers in each region to ensure a close dialogue between Sveafastigheter and its tenants. The Head of Property Management, and most regional and local property managers have previously worked at SBB with parts of the existing property portfolio. Given the knowledge of the current property portfolio and a full focus on residential, they can continue to have a close dialog with tenants and other stakeholders. Sveafastigheter has a successful organization in place and thus continue to conduct active and value-creating property management with good conditions for managing the portfolio.

Strong financial position and stable capital structure

Sveafastigheter has a strong financial position with an LTV of 43¹⁾ percent and a stable capital structure that gives the Group a good ability to implement its growth strategy and manage any market changes. Following the listing, the capital structure will consist of bank financing with long loan maturity that is largely interest-rate hedged, reducing the risk of refinancing needs and interest rate fluctuations, as well as bond loans. For more information see, see section "*Legal considerations and supplementary information – Material agreements – Financing arrangements*". By having a simple and transparent financing structure, Sveafastigheter can strengthen its position in the residential market.

Stable cash flow

Sveafastigheter has a long-term strategy that provides good opportunities for stable revenue over time. The majority of Sveafastigheter's rental income comes from rent-regulated income. This means that Sveafastigheter has a low exposure to market rents and economic fluctuations. The value-of-use method also gives Sveafastigheter an opportunity to raise rents through value-of-use tests in connection to, for example, improvement of the properties, such as ongoing upgrades and energy efficiency improvements. To further optimize its rental income,

Sveafastigheter also takes the opportunity to apply 'presumption rents' for its newly constructed apartments for a period of 15 years following the completion of the building. Presumptive rents allow Sveafastigheter to negotiate higher rents than the value-of-use rents, providing greater flexibility and incentives for Sveafastigheter to invest in new and attractive residential. By combining value-of-use rents and presumption rents, Sveafastigheter has created a balanced and sustainable rental strategy, which provides the Group with stable and growing cash flows.

High sustainability ambitions

Sustainability is a central part of Sveafastigheter's operations, and the Group works actively with social, economic and environmental sustainability. A growing focus on sustainability among all stakeholder groups has contributed to an increased demand for both climate-smart and safe housing. Sveafastigheter has high ambitions to improve the sustainability of its property portfolio and works actively to reduce its climate footprint by implementing energy-saving projects. The Group also works to enhance social security in its residential areas to create value for its tenants and contribute to positive social development.

Increased demand for rental apartments

In recent years, the residential market in Sweden has been characterized by high demand, low supply and that prices of condominiums have risen by approximately 500 percent during 2002–2022.²⁾ This has according to the Company led to many households finding it difficult to finance a home purchase, either because of high down payments, debt-to-income limits or amortization requirements. At the same time, interest rates have started to rise from historically low levels, which has increased the cost of borrowing for housing. These factors have contributed to the increasing attractiveness of rental apartments, as these offer greater flexibility, lower risk and lower capital commitment. The share of rental apartments among residential housing has increased from 29 percent in 2013 to 33 percent in 2023, which indicates a long-term trend that benefits Sveafastigheter's rental market.³⁾

Sveafastigheter has an extensive project development portfolio, with more than 7,200 new potential apartments primarily located in Stockholm-Mälardalen, which is strengthened by the ongoing high demand for rental properties in Sweden. This portfolio positions the Company to effectively meet the growing need for rental housing and capitalize on market trends in Sweden.

1) As of the first day of trading.

2) Statistics Sweden, statistical database.

3) Based on data from the Council for Municipal Analysis.



Housing shortage and population growth in Sveafastigheter’s markets

Sveafastigheter manages and develops properties in regions that, over time, have demonstrated a long-term demand for housing. Due to the shortage of housing in the regions in which Sveafastigheter is active, Sveafastigheter, as one of the largest residential-focused real estate companies in Sweden, can take advantage of positive market trends both nationally and regionally. Sveafastigheter has significant exposure to regions where the housing shortage is widespread and population growth is high compared to the national average, factors that drive demand for the Group’s residential properties. Sveafastigheter operates in municipalities where approximately 80 percent have a pronounced housing shortage and 13 percent employees have reported a balance in the residential market. In addition, the population in Sveafastigheter’s regions has increased by 11.6 percent between years 2013–2023, which is higher than the national average of 9.6 percent during the same period. This gives Sveafastigheter good opportunities to achieve a high occupancy rate as well as stable and increasing rental income over time.

Organization and employees

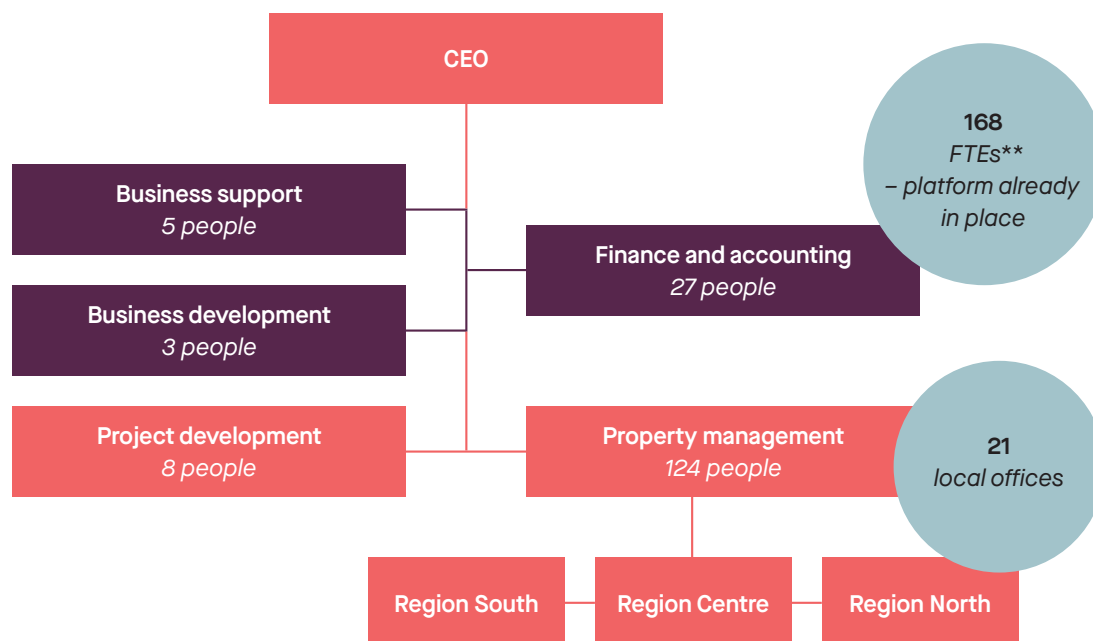
Organization

Sveafastigheter’s organization is business-minded and characterized by a long-term view, availability and innovation, and supports the Group’s strategies and objectives. Sveafastigheter’s head office is located in Stockholm and the Group has 21 local offices for its property management team. The Group’s operations are organized in two business areas and the Company comprises group wide functions, which include in-house capabilities, such as technical management, financial management, project development, construction competence¹⁾, transaction and valuation, sustainability, finance, HR and digitalization.

Employees

As of June 30, 2024, Sveafastigheter had a total of 168 full-time equivalents, of which were 154 employees and 14 consultants. Most of the employees in the management organization come from previous roles at SBB and have extensive experience of value-creating management. All work carried out is aimed at optimizing the property portfolio in a sustainable manner to ensure customer satisfaction and generate good returns.

Sveafastigheter’s organization chart*



* Separated function from SBB.
 ** As of June 30, 2024.

1) External parties are typically architects, contractors, technical engineers and surveyors.



The property portfolio

Overview of Sveafastigheter's property portfolio

Sveafastigheter owns, actively manages and builds attractive rental apartments in growth regions in Sweden with a total property value, including standing assets and new constructions (book value), of SEK 27.5 billion of which SEK 24.3 billion relates to standing assets, SEK 0.8 billion relates to ongoing construction and SEK 2.4 billion relates to project development and building rights.

Sveafastigheter's standing asset portfolio

As of June 30, 2024, the standing assets consisted of both acquired and self-developed properties, diversified

across four regions with 94 percent of the portfolio's value located in metropolitan regions¹⁾ and university cities²⁾. As of the same date, the portfolio consisted of approximately 14,470 apartments across 260 properties with approximately 994,000 square meters of total lettable area. The standing assets had a property value of SEK 24.3 billion or SEK 24,436 per square meter and an economic occupancy of 94³⁾ percent, as of June 30, 2024. The annual earnings capacity rental value amounts to SEK 1,570 million⁴⁾ with a net operating income (including property administration)⁵⁾ of approximately SEK 938 million. The average yield requirement on the standing assets amounted to 4.3 percent.

Selected standing assets



Focken 1 & 2, Västerås

| | |
|-----------------------|----------------|
| Number of apartments: | 196 |
| Lettable area: | 12,756 sq.m. |
| Rental value: | SEK 28 million |
| Building year: | 2017 |



Vårholmen 6, Stockholm

| | |
|-----------------------|----------------|
| Number of apartments: | 79 |
| Lettable area: | 5,119 sq.m. |
| Rental value: | SEK 13 million |
| Building year: | 2017 |



Önskemålet 7, Jönköping

| | |
|-----------------------|---------------|
| Number of apartments: | 88 |
| Lettable area: | 4,205 sq.m. |
| Rental value: | SEK 8 million |
| Building year: | 2022 |



Spårvagnen 1, Helsingborg

| | |
|-----------------------|----------------|
| Number of apartments: | 188 |
| Lettable area: | 11,767 sq.m. |
| Rental value: | SEK 24 million |
| Building year: | 2020 |



Gärdet 14, Umeå

| | |
|-----------------------|---------------|
| Number of apartments: | 95 |
| Lettable area: | 4,993 sq.m. |
| Rental value: | SEK 7 million |
| Building year: | 1954 |



Hedensbyn 25:50, Skellefteå

| | |
|-----------------------|----------------|
| Number of apartments: | 729 |
| Lettable area: | 56,126 sq.m. |
| Rental value: | SEK 69 million |
| Building year: | 1992 |



Lägerhyddan 2, Linköping

| | |
|-----------------------|----------------|
| Number of apartments: | 156 |
| Lettable area: | 10,800 sq.m. |
| Rental value: | SEK 17 million |
| Building year: | 1967 |



Hov Dalbogård, Växjö

| | |
|-----------------------|----------------|
| Number of apartments: | 229 |
| Lettable area: | 16,394 sq.m. |
| Rental value: | SEK 22 million |
| Building year: | 1963 |

Overview of Sveafastigheter's standing asset portfolio by region as of June 30, 2024

| Region | Number of properties | Number of apartments | Area (sq.m.) | Property value | | Rental value | | Economic occupancy rate (%) |
|------------------------|----------------------|----------------------|----------------|----------------|---------------|--------------|--------------|-----------------------------|
| | | | | SEK million | SEK/sq.m. | SEK million | SEK/sq.m. | |
| University cities | 75 | 5,875 | 404,350 | 8,913 | 22,042 | 567 | 1,402 | 94 |
| Stockholm – Mälardalen | 73 | 3,723 | 244,814 | 8,136 | 33,235 | 456 | 1,861 | 96 |
| Malmö – Öresund | 69 | 2,677 | 194,935 | 4,257 | 21,839 | 275 | 1,409 | 96 |
| Greater Gothenburg | 15 | 882 | 60,945 | 1,479 | 24,260 | 86 | 1,414 | 96 |
| Other | 30 | 1,310 | 89,398 | 1,515 | 16,952 | 121 | 1,357 | 81 |
| Total | 262 | 14,467 | 994,442 | 24,300 | 24,436 | 1,505 | 1,513 | 94 |

1) Refers to properties in Sveafastigheter's regions Stockholm-Mälardalen, Malmö-Öresund, and Greater-Gothenburg.

2) Refers to university cities included in Sveafastigheter's property portfolio, as set out in "Business overview – The property portfolio – Standing asset portfolio deep dive as of June 30, 2024".

3) For new construction (i) that have been completed within the past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024) and (ii) for which vacancy rates exceed the average vacancy rate of the Company's standing assets, (amounting to approximately 6 percent as of June 30, 2024), then the average vacancy rate of the Company's standing assets is applied (6 percent). If project vacancy is included, then the Group's economic occupancy rate amounts to 91 percent.

4) Based on earnings capacity as of June 30, 2024, see further the section "Current earning capacity – Statement of the most significant assumptions underlying the current earning capacity".

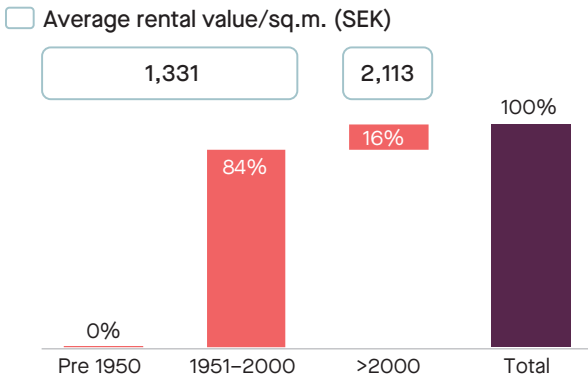
5) Based on earnings capacity as of June 30, 2024, see further the section "Current earning capacity – Statement of the most significant assumptions underlying the current earning capacity".



University cities – Strong demographics



Share of property value based on building year in the region (%)

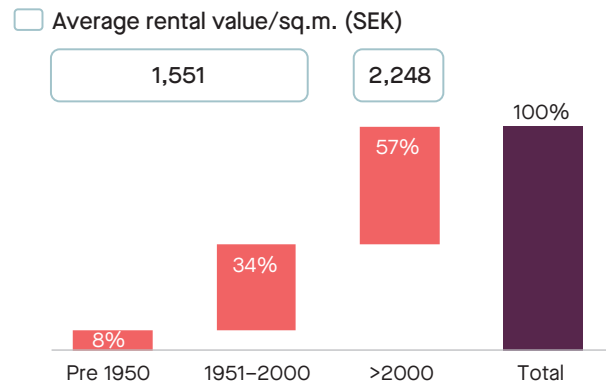


* Economic occupancy rate excludes completed new construction past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024), and if including project vacancy, the economic occupancy rate amounts to 92 percent.

Stockholm-Mälardalen region – located in proximity to key labor markets with attractive underlying macro trends

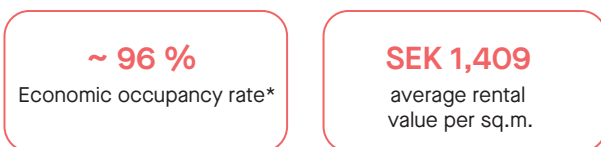


Share of property value based on building year in the region (%)

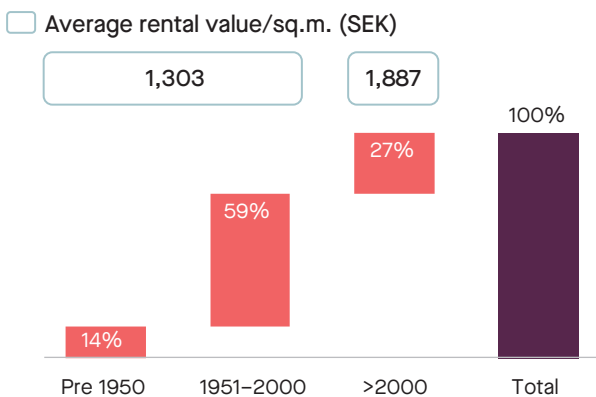


* Economic occupancy rate excludes completed new construction past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024), and if including project vacancy, the economic occupancy rate amounts to 91 percent.

Malmö-Öresund region – distributed across municipalities with connections to key labor markets in southern Sweden and Denmark



Share of property value based on building year in the region (%)



* Economic occupancy rate excludes completed new construction past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024), and if including project vacancy, the economic occupancy rate amounts to 96 percent.



Greater Gothenburg – partly connected to key labor markets with prosperous industries and imports

~ 96%

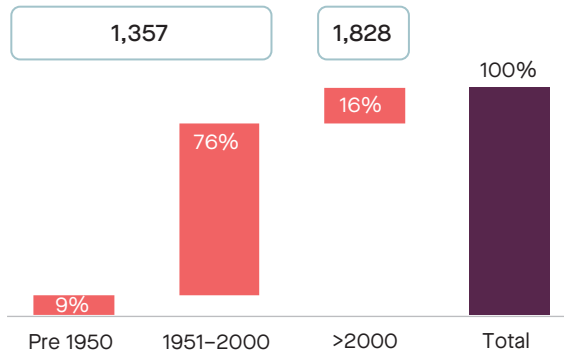
Economic occupancy rate*

SEK 1,414

average rental value per sq.m.

Share of property value based on building year in the region (%)

□ Average rental value/sq.m. (SEK)



* Economic occupancy rate excludes completed new construction past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024), and if including project vacancy, the economic occupancy rate amounts to 96 percent.

Other – consists of properties located outside of Sveafastigheter's four key regions

~ 81%

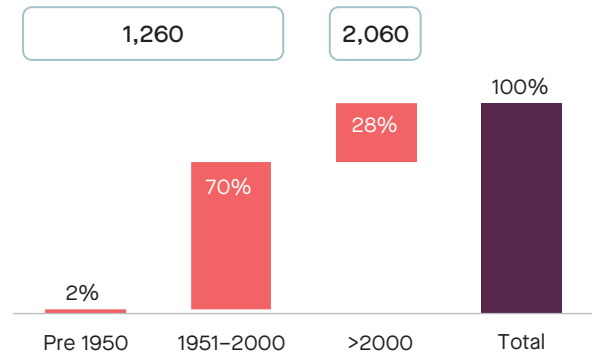
Economic occupancy rate*

SEK 1,357

average rental value per sq.m.

Share of property value based on building year in the region (%)

□ Average rental value/sq.m. (SEK)

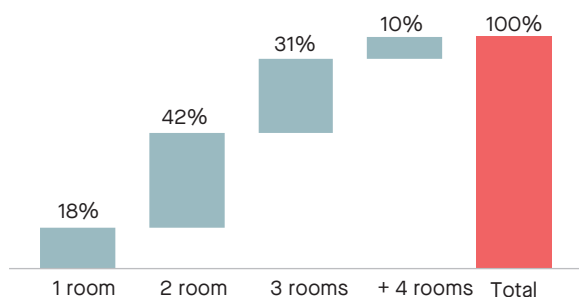


* Economic occupancy rate excludes completed new construction past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024), and if including project vacancy, the economic occupancy rate amounts to 75 percent.

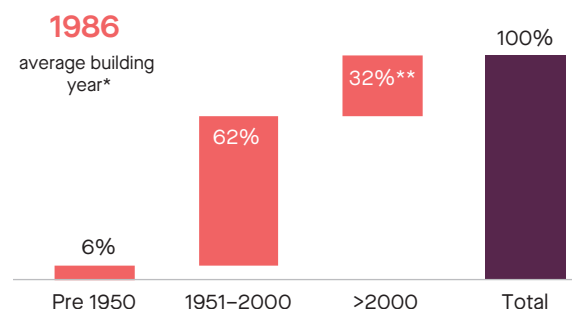


Apartment types and the properties building years

Share of total number of apartments



Share of property value based on building year



* Weighted property value per building year.

** Excluding condominiums.

Standing asset portfolio deep-dive as of June 30, 2024

University cities

| Municipality | Number of apartments | sq.m. | Property value | |
|--------------------------|----------------------|----------------|----------------|---------------|
| | | | SEK million | SEK/sq.m. |
| Linköping | 1,534 | 108,522 | 2,592 | 23,885 |
| Skellefteå | 1,362 | 99,044 | 1,898 | 19,158 |
| Falun | 724 | 47,028 | 821 | 17,448 |
| Umeå | 482 | 27,069 | 680 | 25,118 |
| Karlskrona | 371 | 29,337 | 640 | 21,809 |
| Borlänge | 318 | 20,136 | 478 | 23,743 |
| Karlstad | 222 | 9,652 | 414 | 42,842 |
| Växjö | 229 | 16,394 | 407 | 24,826 |
| Östersund | 128 | 9,418 | 234 | 24,824 |
| Sundsvall | 150 | 13,820 | 219 | 15,847 |
| Jönköping | 130 | 7,350 | 219 | 29,796 |
| Halmstad | 98 | 7,478 | 190 | 25,461 |
| Karlshamn | 127 | 9,103 | 122 | 13,403 |
| University cities | 5,875 | 404,350 | 8,913 | 22,042 |

Stockholm – Mälardalen

| Municipality | Number of apartments | sq.m. | Property value | |
|-------------------------------|----------------------|----------------|----------------|---------------|
| | | | SEK million | SEK/sq.m. |
| Västerås | 708 | 41,207 | 1,687 | 40,935 |
| Stockholm | 431 | 35,478 | 1,121 | 31,595 |
| Haninge | 367 | 22,072 | 1,069 | 48,434 |
| Södertälje | 440 | 24,761 | 828 | 33,439 |
| Sundbyberg | 199 | 19,548 | 793 | 40,567 |
| Nykvarn | 322 | 16,025 | 549 | 34,258 |
| Eskilstuna | 198 | 14,483 | 417 | 28,765 |
| Norrtälje | 271 | 19,125 | 382 | 19,973 |
| Nynäshamn | 176 | 8,384 | 350 | 41,747 |
| Nacka | 84 | 5,428 | 212 | 39,075 |
| Nyköping | 127 | 8,215 | 203 | 24,674 |
| Tierp | 304 | 20,525 | 184 | 8,974 |
| Vallentuna | 48 | 6,133 | 176 | 28,700 |
| Sigtuna | 48 | 3,429 | 166 | 48,406 |
| Stockholm – Mälardalen | 3,723 | 244,814 | 8,136 | 33,235 |

*Malmö – Öresund*

| Municipality | Number of apartments | sq.m. | Property value | |
|------------------------|----------------------|----------------|----------------|---------------|
| | | | SEK million | SEK/sq.m. |
| Helsingborg | 941 | 64,724 | 1,468 | 22,685 |
| Höganäs | 744 | 57,375 | 1,132 | 19,732 |
| Kävlinge | 407 | 26,680 | 645 | 24,156 |
| Landskrona | 366 | 28,198 | 515 | 18,275 |
| Trelleborg | 167 | 14,430 | 372 | 25,779 |
| Malmö | 52 | 3,527 | 125 | 35,441 |
| Malmö – Öresund | 2,677 | 194,935 | 4,257 | 21,839 |

Greater Gothenburg

| Municipality | Number of apartments | sq.m. | Property value | |
|---------------------------|----------------------|---------------|----------------|---------------|
| | | | SEK million | SEK/sq.m. |
| Borås | 506 | 39,283 | 957 | 24,362 |
| Trollhättan | 213 | 12,038 | 277 | 22,970 |
| Gothenburg | 95 | 6,372 | 135 | 21,186 |
| Stenungsund | 68 | 3,252 | 110 | 33,823 |
| Greater Gothenburg | 882 | 60,945 | 1,479 | 24,260 |

Other

| Municipality | Number of apartments | sq.m. | Property value | |
|--------------|----------------------|---------------|----------------|---------------|
| | | | SEK million | SEK/sq.m. |
| Avesta | 475 | 31,699 | 437 | 13,792 |
| Ulricehamn | 142 | 9,200 | 267 | 28,970 |
| Söderhamn | 200 | 17,093 | 254 | 14,843 |
| Olofström | 210 | 13,749 | 178 | 12,946 |
| Oskarshamn | 143 | 10,116 | 141 | 13,959 |
| Motala | 78 | 3,322 | 126 | 37,868 |
| Boden | 62 | 4,220 | 113 | 26,800 |
| Other | 1,310 | 89,398 | 1,515 | 16,952 |



Ongoing construction

Sveafastigheter's ongoing construction is in the Stockholm-Mälardalen region along with selected university cities that have a demand for new housing. When completed, these projects are expected to add a rental value of SEK 65 million and SEK 1.2 billion in property value, of which SEK 0.8 billion are already invested.

| Project | Region | Acquired/ developed | Completion | Size | | Estimated rental value ²⁾ | | Investment (incl. land) | |
|--|---------------------------|------------------------|------------|-------------------------|----------------------------|--------------------------------------|---------------|-------------------------|-------------------------|
| | | | | Number of apartments | Residential area, sq.m. | SEK million | SEK/ sq.m. | Total, SEK million | Accrued, SEK million |
| Kasernehöjden 1, etapp 3 | University cities | Acquired | July 2024 | 80 | ~3,400 | 8 | 2,373 | 139 | - |
| Kv Jullen | University cities | Developed | May 2025 | 180 | ~8,350 | 14 | 1,726 | 236 | 237 |
| Barnmorskan | University cities | Developed | June 2025 | 223 | ~5,730 | 17 | 2,950 | 295 | 179 |
| Årby Norra I och II – Eskilstuna/fd Notarien 19 | Stockholm – Mälardalen | Developed | Nov 2024 | 206 | ~11,600 | 26 | 2,247 | 441 | 389 |

Project development and building rights

The Company's project development portfolio covers a total of approximately 7,220 apartments, of which approximately 5,920 refer to rental apartments and 1,300 refer to condominiums. Approximately 90 percent of the development portfolio is located in the Stockholm-Mälardalen region. In addition, Sveafastigheter has 344,000 square meters gross floor area in its building rights portfolio, of which 123,000 square meters gross floor area has gained legal force.

| Project name | Region | Phase ¹⁾ | Estimated construction dates | | Size | | Estimated rental value ²⁾ | Total investment (incl. land) |
|---|----------------------|---------------------|---------------------------------|------------|-------------------------|--------------|---|----------------------------------|
| | | | Start | Completion | Number of apartments | Area, ~sq.m. | | |
| Krongatan/Moröshöjden | University cities | Phase 4 | 2024 | n/a | 178 | 9,101 | 23 | 353 |
| Backen | University cities | Phase 4 | 2026 | n/a | 125 | 6,250 | 17 | 276 |
| Gullberna et.2 | University cities | Phase 4 | n/a | n/a | - | - | - | 34 |
| Orkestervägen | University cities | Phase 4 | 2026 | n/a | 300 | 15,000 | 37 | 566 |
| Vårbergsvägen | Stockholm-Mälardalen | Phase 4 | 2027 | 2028 | 81 | 3,889 | 12 | 213 |
| Östra Sala backe 3 | Stockholm-Mälardalen | Phase 4 | 2025 | n/a | 213 | 11,993 | 31 | 529 |
| Mälaräng | Stockholm-Mälardalen | Phase 4 | 2028 | n/a | 137 | 8,719 | 24 | 316 |
| Sarvträsk | Stockholm-Mälardalen | Phase 4 | 2024 | n/a | 147 | 7,803 | 25 | 360 |
| Ulleråker | Stockholm-Mälardalen | Phase 4 | 2027 | n/a | 159 | 11,221 | 30 | 482 |
| Kristineberg | Stockholm-Mälardalen | Phase 4 | 2025 | n/a | 207 | 12,529 | 34 | 559 |
| Rävsta | Stockholm-Mälardalen | Phase 4 | 2027 | n/a | 29 | 1,158 | 3 | 59 |
| Kaffebyggaren 6 | Stockholm-Mälardalen | Phase 4 | n/a | n/a | - | - | - | - |
| Oxbacken | Stockholm-Mälardalen | Phase 4 | 2025 | 2027 | 132 | 7,693 | 20 | 346 |
| Sollentuna Hills/ fd Törnskogen 4:54 | Stockholm-Mälardalen | Phase 4 | 2026 | 2028 | 226 | 10,678 | 29 | 608 |
| Enhörningen | Stockholm-Mälardalen | Phase 4 | 2024 | 2026 | 216 | 11,791 | 35 | 633 |
| Notarien 25 | Stockholm-Mälardalen | Phase 4 | n/a | n/a | - | - | - | - |
| Gamla Landsvägen | Stockholm-Mälardalen | Phase 4 | 2025 | 2026 | 87 | 4,325 | 14 | 227 |
| Spånga Studios | Stockholm-Mälardalen | Phase 4 | 2026 | 2028 | 153 | 6,348 | 22 | 370 |
| Triangeln 6, projekt | Malmö-Öresund | Phase 4 | 2026 | 2027 | 14 | 656 | 1 | 24 |
| Del av Hälsan 22 B | Other | Phase 4 | n/a | n/a | - | - | - | - |
| Others | | Phase 1-3 | | | 3,519 | 186,251 | 520 | 8,512 |

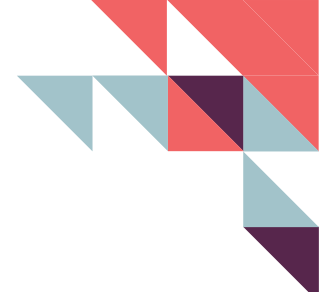
Estimated property value of SEK 17 billion, ²⁾³⁾

1) Excluding condominiums and ongoing construction. Phases are defined as follows: Phase 1 – Project concepts, Phase 2 – Prior to a decision on planning notification, Phase 3 – With planning notification, Phase 4 – Legally enforceable detailed development plans.

2) At completion based on external valuations as of June 30, 2024.

3) Excluding property value of condominiums.





Valuation reports

The Valuation Reports concerning the Company's property portfolio, which have been incorporated in the Offering Circular (the "**Valuation Reports**"), have been issued, at the request of the Company, by the independent expert valuers Newsec Advisory Sweden AB, Stureplan 3, SE-111 45 Stockholm, Sweden and Savills Sweden AB, Regeringsgatan 48, SE-111 56 Stockholm, Sweden (the "**Independent Valuers**"). The Valuation Reports from the Independent Valuers have been incorporated in the following pages in this section. The Valuation Reports together comprise the Group's complete and full property portfolio as of June 30, 2024 and state that the aggregate fair value of the properties is SEK 24.3 billion.¹⁾

The Independent Valuers do not have any material interest in the Company and have consented to the incorporation of their respective Valuation Reports in the Offering Circular. Information from third parties has been accurately reproduced in the Offering Circular and, as far as the Company is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading for information on material changes in the property portfolio following June 30, 2024, see section "*Operating and financial overview – Significant changes since June 30, 2024*". Other such events, no material changes in the Group's property portfolio have occurred after the issuances of the Valuation Reports as of June 30, 2024.

The information included in the Offering Circular and 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 the section "*Risk factors*". The valuation of investments in properties and connected assets includes a certain amount of estimations and the Company and/or the Independent Valuers may have needed to make assumptions, estimations and assessments regarding a number of factors. Valuation of properties are by nature subjective and uncertain, and are based on assumptions that may turn out to be misleading or be affected by factors outside of the Group's control, and the Group may not be able to realize the estimated value in the case of disposal.

1) The Valuation Reports, taken together, state that the aggregate fair value of Sveafastigheter's complete and full property portfolio is SEK 24,266,440,000 as of June 30, 2024, and, in addition, the Company expects to receive an investment subsidy of approximately SEK 30 million in relation to certain properties, which together brings the total aggregate fair value of the Company's property portfolio to approximately SEK 24.3 billion as of June 30, 2024.



Newsec Advisory Sweden AB

Stureplan 3
P.O Box 7795
SE-103 96 Stockholm
Tel +46 8 454 40 00
VAT SE 556695-7592

www.newsec.se



Valuation Report as of June 30, 2024

Newsec has been instructed by Sveafastigheter AB to carry out a Valuation Report in accordance with the Agreement for Valuation Report.

The assets comprise of 27 properties (24 valuation assets) situated in 8 different municipalities throughout Sweden (see Appendix 1). The valuations have been carried out with Valuation Date 30 June 2024. The aim of the valuations is to estimate the market value of the properties.

Of the properties 21 are freehold and 3 are leasehold. Newsec has carried out inspections of all the properties. One smaller asset has been inspected after the date of valuation. The lettable area amounts to 81.208 sqm, of which 70.960 sqm consists of residential and 10.248 sqm of commercial premises.

The properties are located in 8 municipalities mainly in the southern part of Sweden. The properties consist of residential and to a certain extent premises such as healthcare, offices, retail and warehouse. In addition to that, the portfolio consists of building rights and land for future development.

The Valuation Report is provided according to the guidelines given by the European Securities and Markets Authority ("ESMA") and comply with paragraphs 128 to 130 of the ESMA update of the CESR recommendations

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 (latest edition) 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 and are subject to the generally accepted principles regarding valuations, produced by Samhällsbyggarna Property Valuation Section, General terms and conditions for valuation reports, Appendix 2 to this Valuation Report, with the amendment of Section 5.2 where the limitation of liability for losses under this assignment is maximum SEK 10 million.

The valuations have been carried out by valuers qualified for the assignment and acting as external valuers. We consider us 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 cash flow calculations, where present values are calculated based on future cash flows and residual values.



As of June 30, 2024, the market value of the 27 properties (24 valuation assets) has been estimated to:

SEK 1 515 440 000

(SEK One-Billion and Five-Hundred and Fifteen Million Four-Hundred and Forty Thousand)

Stockholm 2024-10-04

Newsec Advisory Sweden AB

Ulrika Lindmark, MRICS
Head of Valuation & Advisory,
authorised by Samhällsbyggarna

**AUTHORISED
REAL ESTATE VALUER**



SAMHÄLLSBYGGARNA

Fredrik Karlsson, MRICS
Real Estate Valuer,
authorised by Samhällsbyggarna

**AUTHORISED
REAL ESTATE VALUER**



SAMHÄLLSBYGGARNA

Appendix 1
Appendix 2

Property list
General terms and conditions for valuation reports



Property list

| | |
|-----------------------------|------------|
| Aspen 4 | Boden |
| Britsarvsskolan 6 | Falun |
| Korsnäs 2:13 | Falun |
| Korsnäs 2:26 | Falun |
| Korsnäs 7:1 | Falun |
| Korsnäs 8:1 | Falun |
| Lilla Näs 3:41, 3:42, 3:43 | Falun |
| Ceres 20 | Höganäs |
| Hotellet 1 | Höganäs |
| Höganäs 34:69 | Höganäs |
| Lyran 18 | Höganäs |
| Lyran 20 | Höganäs |
| Olympia 14-15 | Höganäs |
| Thor 8 | Höganäs |
| Triangeln 6 | Höganäs |
| Vattumannen 13 | Höganäs |
| Mo 1:95 | Karlskrona |
| Orminge 60:2 (leasehold) | Nacka |
| Orminge 62:1 | Nacka |
| Sicklaön 126:10 | Nacka |
| Sicklaön 126:12 (leasehold) | Nacka |
| Skrubbhyveln 4 (leasehold) | Stockholm |
| Krämarens 4 | Ulricehamn |
| Almen 2 | Västerås |



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 Advisory Sweden 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 6 April 2023 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. Unless specifically requested, we have not made detailed enquiries into the covenant strength of occupational tenants.
- 2.2 The areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these 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.

- 3.3 It is assumed that the valuation object holds no environmental certification if not provided with other information.

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.
 - defects in parts of the building not inspected

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 report (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 report. The price base amount (Sw. prisbasbeloppet) is set annually by the Swedish Government.

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.
- 7.4 Any third party may only use the valuation report with written consent from the valuer.

06/04/2023



Condensed valuation report

Background

Savills Sweden AB (Savills), has been commissioned by Sveafastigheter AB (Sveafastigheter), through Lovisa Sörensson, to assess the market value of 187 valuation objects and project value of 6 valuation objects. Date of valuation is 30 June 2024. See detailed property list in Appendix I. The valuation assignment is subject to the terms agreed in the engagement letter between Savills and Samhällsbyggnadsbolaget i Norden AB, dated 27 March 2023. In addition to that, the valuations have been prepared in accordance with and are subject to the generally accepted principles regarding valuations, mutually produced by the independent valuation companies operating in Sweden - General terms and conditions for valuation reports, Appendix II to this Valuation Report - with the amendment of Section 5.2 where the limitation of liability for losses under this assignment is stipulated in the engagement letter entered into between Savills and Sveafastigheter.

Savills has been requested to prepare a condensed valuation report of the valuations of the 193 valuation objects in possession by Sveafastigheter. The purpose of the report is to be included in a prospectus for listing on Nasdaq First North Premier Growth Market.

Valuation standards

The assignment has been carried out in accordance with RICS instructions in "Red Book" (RICS Valuation - Global Standards November 2021), and international valuation standards (IVS). This condensed report is prepared in accordance with paragraphs 128-130 of the ESMA update of CESR recommendations.

Savills acts as an independent external valuer as defined in the "Red Book". In accordance with the provisions of the "Red Book", the valuers in charge have sufficient experience to perform the valuations.

Valuation objects and date of valuation

The portfolio consists of 236 properties, corresponding to 193 valuation objects, situated in 43 municipalities in Sweden. Most of the objects are located in Landskrona, followed by Umeå, Avesta, Södertälje, Jönköping, Stockholm and Trollhättan. The assets have a lettable area of approx. 913,000 sqm. The majority of the objects are utilized for residential purposes but there are also premises used for e.g. offices, public services and retail. Some of the objects have development rights within the segments mentioned above.

The date of valuation is 30 June 2024 for all valuation objects.



Inspections have been carried out by Savills for 182 of the valuation objects.

22 objects were inspected during 2021, 37 objects were inspected during 2022, 118 objects were inspected during 2023, and five objects were inspected during 2024. Eleven objects have not been inspected by Savills.

Valuation Methodology

The value appraisal is based on a discounted cash flow analysis, meaning that the asset value is based on the present value of the forecast cash flow as well as the residual value over a certain calculation period of in general 10 years (exceptions may occur). Leases that span beyond the cash flow period are considered in the assessment. The assumptions regarding future cash flows proceed from an analysis of:

- Current and past rents and costs
- Future development of the market/vicinity
- The general market conditions and market position of the properties
- Current terms and conditions of the leases
- Market-based rental conditions at the end of the lease period
- Operating and maintenance costs in similar facilities in comparison with those in the facilities
- Investment and maintenance plans

The net operating income during the calculation period arising from the analysis plus a residual value at the end of the calculation period is then discounted using a computed rate of interest. The value-influencing parameters used in the valuation are benchmarked with comparable transactions and market experience and correspond to Savills's interpretation of how a potential buyer in the market would reason.

Thus the sum of the net discounted operating income and residual value may be viewed as an expression of market value. It must be observed that forecasts of cash flows and the long-term change in the value of the target properties constitute nothing more than part of the value assessment and shall not in any way be taken as a commitment to future outcomes.

For the valuation objects referred to as Projects in Appendix I, which pertain to completed investment properties within the last three quarters and are categorized as standing assets in the Company's accounting, we have assessed a project value instead of a market value. The reason for this is that investments for the completion of each project remain, and the Company estimates that it takes up to three quarters from completion until a normalized occupancy rate is achieved. The principle for project value is that we have assessed a preliminary value under the special assumption that all apartments are rented and occupied, with a deduction for estimated long-term vacancy, and that all investments are completed, in accordance with the methodology assessed above. Thereafter, we have deducted the remaining costs in the project to achieve what we call project value. This methodology may yield a different value than a market value assessment.



The value assessment is also based on the analysis of sold properties. The result of this analysis gives guidance regarding the required net return on the assigned properties.

In undertaking our valuation, we have adopted the RICS definitions of Market Value. Valuation Standard VPS 4:4 of the Red Book defines Market Value (MV) 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.”

Change of Value

In accordance with the “Red Book” (VPS 3 paragraph 2 f) 2) and ESMA 130 (vi), Savills undertakes to disclose whether there have been material changes of market conditions, or material changes to an individual valuation object, between the valuation date and the date of the report.

Savills assess that the market for the relevant types of premises and sub-markets has been solid since the date of valuation. General market conditions are not expected to have a significant impact on the market values.

For individual properties/valuation objects, we are not aware of any significant changes since the date of valuation.

Market Value

Upon request, we hereby confirm that according to the valuations carried out by Savills, the aggregated value of the 193 valuation objects amounts to approximately SEK 22,751,000,000 (twenty-two billion seven hundred and fifty-one million), of which freehold (180) amount to SEK 20,220 million and leasehold (13) amount to SEK 2,531 million. The assessed project value for the project properties amount to SEK 1,793 million, included in the aggregates sum above. See the value summary in Appendix I.

Stockholm and Gothenburg 4 October 2024

Savills Sweden AB

Lena Sylvén, MRICS
Valuer authorized by Samhällsbyggarna

Marcus Kindbom, MRICS
Valuer authorized by Samhällsbyggarna



APPENDIX I – LIST OF VALUATION OBJECTS

Sida 4 av 7



| # | Property | Municipality | Number of properties | Date of inspection | Tenure |
|-----|---|--------------|----------------------|--------------------|--------|
| 1 | Klövervallen 1 | Borlänge | 1 | 2023-07-03 | F |
| 2 | Veteaxet 1 | Borlänge | 1 | 2023-07-03 | F |
| 3 | Årskidan 1 | Borlänge | 1 | 2023-07-03 | F |
| 4 | Lissehagen 4 | Borlänge | 1 | 2023-07-03 | F |
| 5 | Västland 2639 | Sundsvall | 1 | 2022-08-31 | F |
| 6 | Siskan 3 och 4 | Söderhamn | 2 | 2023-06-28 | F |
| 7 | Brunnsbacken 1 | Söderhamn | 1 | 2023-06-28 | F |
| 8 | Fälåås 4:4 och 4:8 | Söderhamn | 2 | 2023-06-28 | F |
| 9 | Gulbernhult 31 | Karlskrona | 1 | 2022-02-23 | F |
| 10 | Fregatten 16 | Karlskrona | 1 | 2022-02-23 | F |
| 11 | Kräkan 1 | Avesta | 1 | 2023-04-26 | F |
| 12 | Majsen 3 | Avesta | 1 | 2023-04-26 | F |
| 13 | Ingeborgbo 3:24 | Avesta | 1 | 2023-04-26 | F |
| 14 | Ingeborgbo 5:19 | Avesta | 1 | 2023-04-26 | F |
| 15 | Ingeborgbo 6:13 | Avesta | 1 | 2023-04-26 | F |
| 16 | Ingeborgbo 1:15 | Avesta | 1 | 2023-04-26 | F |
| 17 | Ingeborgbo 4:32 | Avesta | 1 | 2023-04-26 | F |
| 18 | Ingeborgbo 2:51 | Avesta | 1 | 2023-04-26 | F |
| 19 | Ingeborgbo 3:37 | Avesta | 1 | 2023-04-26 | F |
| 20 | Ingeborgbo 1:31 | Avesta | 1 | 2023-04-26 | F |
| 21 | Hornödal Bruk 2:23 | Avesta | 1 | 2023-04-26 | F |
| 22 | Hornödal Bruk 2:24 | Avesta | 1 | 2023-04-26 | F |
| 23 | Monsunen 1 | Karlskrona | 1 | 2022-02-23 | F |
| 24 | Kvarnhöjden 1 | Karlskrona | 1 | 2022-02-23 | F |
| 25 | Verkö 3:118 | Karlskrona | 1 | 2022-02-23 | F |
| 26 | Ålvehult 1:215, 1:217 | Oskarshamn | 2 | 2021-06-03 | F |
| 27 | Ålvehult 1:172, 2:18 | Oskarshamn | 2 | 2021-06-03 | F |
| 28 | Emmekalv 4:152 | Oskarshamn | 1 | 2021-06-03 | F |
| 29 | Merkurs 4 | Oskarshamn | 1 | 2021-06-03 | F |
| 30 | Måsen 1 | Oskarshamn | 1 | 2022-11-23 | F |
| 31 | Ingeborgbo 47:1 | Avesta | 1 | 2023-04-26 | F |
| 32 | Bromsen 3 | Södertälje | 1 | 2022-05-12 | F |
| 33 | Fjärilen 13 | Södertälje | 1 | 2022-05-12 | F |
| 34 | Fjärilen 17 | Södertälje | 1 | 2022-05-12 | F |
| 35 | Fjärilen 18 | Södertälje | 1 | 2022-05-12 | F |
| 36 | Isbjörnen 5 | Södertälje | 1 | 2022-05-12 | F |
| 37 | Jasminen 5 | Södertälje | 1 | 2022-05-12 | F |
| 38 | Jupiter 4 | Södertälje | 1 | 2022-05-12 | F |
| 39 | Jörson 1:315-317 | Tierp | 3 | 2022-10-21 | F |
| 40 | Jörson 1:36 | Tierp | 1 | 2022-10-21 | F |
| 41 | Kastanen 6 | Södertälje | 1 | 2022-05-12 | F |
| 42 | Oxelbäret 2 | Södertälje | 1 | 2022-05-12 | F |
| 43 | Rombäret 1-2 | Södertälje | 2 | 2022-05-12 | F |
| 44 | Sånåbäret 4 | Södertälje | 1 | 2022-05-12 | F |
| 45 | Söderfors Bruk 1:151 | Tierp | 1 | 2022-10-21 | F |
| 46 | Söderfors Bruk 1:66, 1:68, 1:69 | Tierp | 3 | 2022-10-21 | F |
| 47 | Trollsländan 1 | Södertälje | 1 | 2022-05-12 | F |
| 48 | Kvarnluckan 1 & 2 | Stockholm | 2 | 2023-06-26 | L |
| 49 | Vallentuna-Rickeby 1:40 | Vallentuna | 1 | 2023-07-10 | F |
| 50 | Fakriren 3 | Eskilstuna | 1 | 2023-07-05 | F |
| 51 | Fjärilen 8 | Eskilstuna | 1 | 2023-07-05 | F |
| 52 | Ekören 2 | Höganäs | 1 | 2022-05-05 | F |
| 53 | Flora 5 | Höganäs | 1 | 2022-05-05 | F |
| 54 | Jupiter 11 | Höganäs | 1 | 2022-05-05 | F |
| 55 | Möllan 31 | Höganäs | 1 | 2022-05-05 | F |
| 56 | Stataren 2 | Höganäs | 1 | 2023-06-28 | F |
| 57 | Bergsjön 15:3 | Göteborg | 1 | 2023-07-04 | L |
| 58 | Pelaren 2 | Malmö | 1 | 2022-07-01 | F |
| 59 | Mörum 84:2 | Karlskrona | 1 | 2023-06-26 | F |
| 60 | Hov Dalbogård 3-4 | Växjö | 2 | 2023-06-26 | F |
| 61 | Holle 106:1 | Olofström | 1 | 2023-06-26 | F |
| 62 | Stataren 1 | Höganäs | 1 | 2023-06-28 | F |
| 63 | Priorn 6 | Borås | 1 | 2023-07-05 | F |
| 64 | Väpnaren 6, Stallknekten 1 & Häroiden 1 | Borås | 3 | 2023-07-05 | F |
| 65 | Varberg 1 | Jönköping | 1 | 2023-06-21 | F |
| 66 | Sandhammaren 4 | Kävlinge | 1 | 2023-06-26 | F |
| 67 | Kristallen 1 - 3 | Kävlinge | 3 | 2023-06-26 | F |
| 68 | Arvid 1 | Kävlinge | 1 | 2023-06-26 | F |
| 69 | Servitutet 2 | Kävlinge | 1 | 2023-06-26 | F |
| 70 | Hedenstbyn 25:50 | Skellefteå | 1 | 2021-12-01 | F |
| 71 | Dagsmejan 1 | Skellefteå | 1 | 2021-12-01 | F |
| 72 | Gröna Lund 9 | Landskrona | 1 | 2021-05-20 | F |
| 73 | Herkules 29 | Landskrona | 1 | 2021-05-20 | F |
| 74 | Oscar II 25 | Landskrona | 1 | 2021-05-20 | F |
| 75 | Smargden 1 | Landskrona | 1 | 2021-05-20 | F |
| 76 | Stickaren 21 | Landskrona | 1 | 2021-05-20 | F |
| 77 | Sten Sture 11 | Landskrona | 1 | 2023-06-27 | F |
| 78 | Herkules 27 | Landskrona | 1 | 2021-05-20 | F |
| 79 | Herkules 30 | Landskrona | 1 | 2021-05-20 | F |
| 80 | Plåtslagaren 1, 2 | Landskrona | 2 | 2023-06-27 | F |
| 81 | Marknadshegen 15 | Norrköping | 1 | 2023-01-26 | F |
| 82 | Marknadshegen 16 | Norrköping | 1 | 2023-01-26 | F |
| 83 | Marknadshegen 17 | Norrköping | 1 | 2023-01-26 | F |
| 84 | Autopiloten 1 | Stockholm | 1 | 2024-05-02 | L |
| 85 | Autopiloten 6 | Stockholm | 1 | 2024-05-02 | L |
| 86 | Autopiloten 8 | Stockholm | 1 | 2024-05-02 | L |
| 87 | Leran 1 och 4 | Helsingborg | 2 | 2022-11-16 | F |
| 88 | Gröna Lund 20 | Landskrona | 1 | 2023-06-27 | F |
| 89 | Pallas 44 | Landskrona | 1 | 2023-06-27 | F |
| 90 | Pallas 71 | Landskrona | 1 | 2023-06-27 | F |
| 91 | Cykein 3 | Landskrona | 1 | 2023-06-27 | F |
| 92 | Topasen 8 | Landskrona | 1 | 2023-06-27 | F |
| 93 | Sjömannen 2 | Landskrona | 1 | 2023-06-27 | F |
| 94 | Asyllen 20 | Landskrona | 1 | 2023-06-27 | F |
| 95 | Lyckan 11 | Landskrona | 1 | 2023-06-27 | F |
| 96 | Tycho Brahe 31 | Landskrona | 1 | 2023-06-27 | F |
| 97 | Landora 6 | Landskrona | 1 | 2023-06-27 | F |
| 98 | Landora 4 | Landskrona | 1 | 2023-06-27 | F |
| 99 | Fingal 8 | Landskrona | 1 | 2023-06-27 | F |
| 100 | Berzelius 6 | Landskrona | 1 | 2023-06-27 | F |

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| # | Property | Municipality | Number of properties | Date of inspection | Tenure | # | Property | Municipality | Number of properties | Date of inspection | Tenure |
|-----|---------------------------------|--------------|----------------------|--------------------|--------|-----|----------------------------|--------------|----------------------|--------------------|--------|
| 101 | Munskåken 1 | Landskrona | 1 | 2023-06-27 | F | 151 | Lärkan 14 | Sundbyberg | 1 | 2023-06-26 | F |
| 102 | Filaren 5 | Landskrona | 1 | 2023-06-27 | F | 152 | Barlasten 4 | Stockholm | 1 | 2023-06-26 | F |
| 103 | Sankt Olov 5 | Landskrona | 1 | 2023-06-27 | F | 153 | Gallonsbilden 28 | Stockholm | 1 | 2023-06-26 | F |
| 104 | Gjutaren 15 | Landskrona | 1 | 2023-06-27 | F | 154 | Linden 2 | Halmstad | 1 | 2023-07-07 | F |
| 105 | Neptun 30 | Landskrona | 1 | 2023-06-27 | F | 155 | Linden 8 | Halmstad | 1 | 2023-07-07 | F |
| 106 | Edvard 1 | Helsingborg | 1 | 2023-06-27 | F | 156 | Hästhandlaren 6 | Östersund | 1 | 2023-08-16 | F |
| 107 | Edvin 2 | Helsingborg | 1 | 2023-06-27 | F | 157 | Traktören 8 | Östersund | 1 | 2023-08-16 | F |
| 108 | Elias 1 | Helsingborg | 1 | 2023-06-27 | F | 158 | Bajonetten 9 | Umeå | 1 | 2023-08-21 | F |
| 109 | Elof 1 | Helsingborg | 1 | 2023-06-27 | F | 159 | Eklunda 9 | Umeå | 1 | 2023-08-21 | F |
| 110 | Trumslagarpojken 2, Cymbaler | Helsingborg | 2 | 2023-06-27 | F | 160 | Eklunda 12 | Umeå | 1 | 2023-08-21 | F |
| 111 | Höganäs 38:47 | Höganäs | 1 | 2023-06-28 | F | 161 | Puman 3 | Umeå | 1 | 2023-08-21 | F |
| 112 | Släggan 1 | Höganäs | 1 | 2023-06-28 | F | 162 | Puman 7 | Umeå | 1 | 2023-08-21 | F |
| 113 | Idrottsstjärnan 2 & 3 | Linköping | 2 | 2021-09-14 | F | 163 | Långmyran 8 | Umeå | 1 | 2023-08-21 | F |
| 114 | Lägerhyddan 2, Luftpumpen 1 | Linköping | 5 | 2021-09-14 | F | 164 | Rovdjuret 13 | Umeå | 1 | 2023-08-21 | F |
| 115 | Nyponbusken 3 & 4 | Linköping | 2 | 2021-09-14 | F | 165 | Vintergrönan 13 | Trollhättan | 1 | 2023-07-13 | F |
| 116 | Riket 3, 4, 8, 9 & 15 | Linköping | 5 | 2021-09-14 | F | 166 | Lodjuret 6 | Trollhättan | 1 | 2023-07-13 | F |
| 117 | Risgrynet 1, Risgrynet 2 & Risk | Linköping | 3 | 2021-09-14 | F | 167 | Fågeln 2 | Trollhättan | 1 | 2023-07-13 | F |
| 118 | Räknestickan 1 | Linköping | 1 | 2021-09-14 | F | 168 | Hörnet 9 | Trollhättan | 1 | 2023-07-13 | F |
| 119 | Motvikten 1 | Skellefteå | 1 | 2021-12-01 | F | 169 | Hörnet 8 | Trollhättan | 1 | 2023-07-13 | F |
| 120 | Orkestern 6 | Skellefteå | 1 | 2021-12-01 | F | 170 | Järinge 2 | Stockholm | 1 | 2023-06-29 | L |
| 121 | Storkåge 21:19 | Skellefteå | 1 | 2021-12-01 | F | 171 | Kaffebryggaren 1 | Nykarv | 1 | 2023-02-10 | F |
| 122 | Höga 2:154 | Stenungsund | 1 | 2024-06-04 | F | 172 | Vårholmen 6 | Stockholm | 1 | 2023-06-29 | L |
| 123 | Hallerlundran 2 | Trelleborg | 1 | 2023-07-05 | F | 173 | Focken 1 och 2 | Västerås | 1 | 2022-05-19 | L |
| 124 | Innerstaden 4:34 | Trelleborg | 1 | 2023-07-05 | F | 174 | Neptun 1 | Västerås | 1 | 2022-05-19 | L |
| 125 | Silvaäpplet 6, Ananasäpplet 8 | Trollhättan | 2 | 2023-07-13 | L | 175 | Ströpta 3:619-3:622, 3:624 | Nykarv | 5 | - | F |
| 126 | Bytesgården 5 | Umeå | 1 | 2023-08-21 | F | 176 | Hydran 2 | Västerås | 1 | 2022-05-19 | L |
| 127 | Gärdet 14 | Umeå | 1 | 2023-08-21 | F | 177 | Önskemålet 7 | Jönköping | 1 | - | F |
| 128 | Gärdet 5 | Umeå | 1 | 2023-08-21 | F | 178 | Steninge 1:182 och 1:183 | Sigtuna | 2 | 2023-06-14 | F |
| 129 | Ripan 6 | Umeå | 1 | 2023-08-22 | F | 179 | Telegraten 21 | Nynäshamn | 1 | 2023-03-10 | F |
| 130 | Trumman 7 | Umeå | 1 | 2023-08-21 | F | 180 | Sländan 8 | Södertälje | 1 | 2023-03-10 | F |
| 131 | Akerbåret 1 | Umeå | 1 | 2023-08-21 | F | 181 | Lavinen 5 | Linköping | 1 | 2023-09-22 | F |
| 132 | Akerbåret 15 | Umeå | 1 | 2023-08-21 | F | 182 | Del av Tegelebruket 4 | Fälun | 1 | 2023-10-11 | F |
| 133 | Akerbåret 5 | Umeå | 1 | 2023-08-21 | F | 183 | Nystavaren 5-7 | Eskestuna | 3 | 2023-11-01 | F |
| 134 | Ödjan 2 | Umeå | 1 | 2023-08-21 | F | 184 | Bågaren 7 | Skellefteå | 1 | - | F |
| 135 | Spärvagnen 1 | Helsingborg | 1 | 2022-05-06 | F | 185 | Säglingan 6 (HR) | Västerås | 1 | - | F |
| 136 | Mars 7 | Höganäs | 1 | 2023-06-28 | F | 186 | Regementet 19 | Karlstad | 1 | 2024-04-05 | F |
| 137 | Lejonet 1 | Höganäs | 1 | 2023-06-28 | F | 187 | Del av Tuppen 1 | Boden | 1 | 2023-08-16 | F |
| 138 | Jörsön 7:6 | Tierp | 1 | 2022-10-21 | F | 188 | Kalsvik 16:30 | Haninge | 1 | - | F |
| 139 | Backen 8:7-8:12 | Umeå | 6 | 2023-08-22 | F | 189 | Najaden 2 | Västerås | 1 | - | L |
| 140 | Backen 8:15 | Umeå | 1 | 2023-08-22 | F | 190 | Krämarens 8 | Ulricehamn | 1 | - | L |
| 141 | Storken 5 | Landskrona | 1 | 2023-06-27 | F | 191 | Regementet 20 | Karlstad | 1 | - | F |
| 142 | Gjörloff 6 | Landskrona | 1 | 2023-06-27 | F | 192 | Kalsvik 16:31 | Haninge | 1 | - | F |
| 143 | Muraren 19 | Landskrona | 1 | 2023-06-27 | F | 193 | Del av Tellus 1 | Motala | 1 | - | F |
| 144 | Elektrikern 1 | Nyköping | 1 | 2022-11-25 | F | | | | | | |
| 145 | Mekanikern 1 | Nyköping | 1 | 2022-11-25 | F | | | | | | |
| 146 | Svarvaren 4 | Nyköping | 1 | 2022-11-25 | F | | | | | | |
| 147 | Mariehamn 1 | Stockholm | 1 | - | L | | | | | | |
| 148 | Pilen 4 | Trollhättan | 1 | 2023-07-13 | F | | | | | | |
| 149 | Pilen 5 | Trollhättan | 1 | 2023-07-13 | F | | | | | | |
| 150 | Fällnåset 14 | Sundbyberg | 1 | 2023-06-26 | F | | | | | | |

Market Value leasehold
Market Value Freehold
Summarized Market Value
Of which value for project comprise

20 220 000 TSEK
2 531 000 TSEK
22 751 000 TSEK
1 793 000 TSEK



APPENDIX II - TERMS AND CONDITIONS

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 Advisory Sweden 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 6 April 2023 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. Unless specifically requested, we have not made detailed enquiries into the covenant strength of occupational tenants.
- 2.2 The areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these 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.

- 3.3 It is assumed that the valuation object holds no environmental certification if not provided with other information.

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.
 - defects in parts of the building not inspected

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 report (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 report. The price base amount (*Sw. prisbaseloppet*) is set annually by the Swedish Government.

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.
- 7.4 Any third party may only use the valuation report with written consent from the valuer.

06/04/2023

Current earning capacity



This section contains forward-looking statements that reflect the Company's plans, estimates and assessments. The Company's results may differ materially from the outcomes expressed in these forward-looking statements. Forward-looking statements are based on current estimates and assumptions made according to what is known by the Company. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results to differ materially from the results expressly or implicitly assumed or described in these statements and in other parts of the Offering Circular, including the section "Risk factors". Current earning capacity should not be treated as a forecast for the period June 30, 2024 – June 30, 2025. It is only to be considered as a hypothetical, instantaneous snapshot, and is derived from the Company's unaudited interim consolidated financial statements for the six months ended June 30, 2024, with certain forward-looking assumptions, including in relation to acquisitions (as further described below), and is presented only to illustrate income and costs on an annual basis for the twelve months ending June 30, 2025.

The information presented in this section has been compiled and prepared on a basis which is both comparable with the historical financial information (refer to the section "Historical financial information") and consistent with the Company's accounting policies.

Statement of the most significant assumptions underlying the current earning capacity

The Company's earning capacity on a twelve-month basis, based on the Company's property portfolio as of June 30, 2024, is presented below. The following information forms the basis for calculating the earning capacity for the Company's standing assets and ongoing construction:

Standing assets

► "Rental value" includes Sveafastigheter's (i) rental income for both residential apartments and commercial premises assuming that 100 percent of the standing assets are rented and occupied (including contracted supplements¹⁾ and rental discounts²⁾ and (ii) other

property-related income³⁾ based on rental contracts agreed as of June 30, 2024. The rent levels used in calculating the rental value for the residential apartments is based on (i) the agreed and/or implemented rent negotiations for the Company's residential apartments for 2024 as of June 30, 2024, amounting to an average rent increase of 5.1 percent and (ii) rental values for the financial year 2023 adjusted with an assumed rent increase of 5.0 percent⁴⁾ for apartments for which rent negotiations had not been agreed upon and/or implemented as of June 30, 2024. The rent levels for commercial premises, which corresponds to approximately 8 percent of the Company's total rental income, is based on the actual annual rent increases according to the Company's commercial contracts.

- "Vacancy" is based on (i) the actual vacancy level for standing assets as of June 30, 2024, which amounted to approximately 6 percent and (ii) an adjusted vacancy rate of 5 percent for recently completed new construction that have not yet reached their anticipated long-term occupancy rate⁵⁾. The vacancy rate is deducted from the rental value in the earning capacity in order to reach the presented rental income.
- "Property expenses" consists of operating and maintenance costs as well as property tax. Operation and maintenance costs are based on the Company's cost base as of June 30, 2024 for a twelve-month period with contractual changes⁶⁾ included. Property tax is derived from the tax assessment value of the properties as of June 30, 2024.
- "Property administration" refers to costs related to manage the properties and their tenants, including time spent on finding new tenants, administrate rental turnover and answer questions from tenants and has been calculated based on the organization as of June 30, 2024.
- "Other income" consists of property management services conducted on the properties included in the joint venture company that Samhällsbyggnadsbolaget i Norden AB (publ) owns together with Morgan Stanley. The service is based on a contractual agreement

1) For residential apartments, this relates mainly to various non-standard additions that the tenants have actively made to the properties themselves, such as glazed balcony, as well as in some cases tariff costs, such as electricity. For commercial premises, this relates mainly to tariff costs, such as heating, electricity, water, sewerage as well as property tax.

2) For residential apartments, this relates mainly to short-term discounts offered to prospective tenants of new constructions to encourage occupancy. For commercial premises, Sveafastigheter may offer compensation to tenants of premises considered to be below the relevant market standard for the business which is being conducted in such premises.

3) Relates to income derived from ancillary sources, such as land leases and external parking spaces.

4) This 5.0 percent assumed rent increase is somewhat conservative as it is below the average rent increase in Sveafastigheter's completed rent negotiations (for which there was an average rent increase of 5.1 percent).

5) For new construction (i) that have been completed within the past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024) and (ii) for which vacancy rates exceed the average vacancy rate of the Company's standing assets, (amounting to approximately 6 percent as of June 30, 2024), then the average vacancy rate of the Company's standing assets is applied (6 percent). If project vacancy is included, then the Group's economic occupancy rate amounts to 91 percent.

6) Mainly refer to known cost changes relating to, for example, district heating and tariff costs.



between Samhällsbyggnadsbolaget i Norden AB (publ) and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the current agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also “*Legal considerations and supplementary information – Material agreements – Property management agreement*”).

- ▶ “*Central administration*” consists of functions at the group-wide level that are not directly attributable to property management (of the Group’s own properties), such as group management, group accounting, HR and group communication has been calculated based on the organization as of June 30, 2024. Further, “*Central administration*” also includes costs relating to the property management services conducted on the properties included in the joint venture company that Samhällsbyggnadsbolaget i Norden AB (publ) owns together with Morgan Stanley (see also “*Legal considerations and supplementary information – Material agreements – Property management agreement*”).

Ongoing construction¹⁾

- ▶ “*Rental value*” includes Sveafastigheter’s rental income as if 100 percent of the apartments and commercial premises under construction had been rented and occupied as of June 30, 2024. The rent levels used for calculating the rental value for the residential apartments is based on the Company’s assessment of comparable residential apartments in the same or adjacent regions. The rent levels for commercial premises are based on comparable commercial premises in the same or adjacent regions.
- ▶ “*Vacancy*” is based on the Swedish national average economic occupancy rate for residential apartments, amounting to 99 percent.²⁾ The vacancy rate is deducted from the rental value in the earning capacity in order to reach the presented rental income.
- ▶ “*Property expenses*” consists of operating and maintenance costs. Operation and maintenance costs are based on the Company’s assessment.
- ▶ “*Property administration*” refers to costs related to manage the properties and their tenants, including time spent on finding new tenants, administrate rental turnover and answer questions from tenants and has been calculated based on the organization as of June 30, 2024.

- ▶ “*Central administration*” consists of functions at the group-wide level that are not directly attributable to property management, such as group management, group accounting, HR and group communication has been calculated based on the organization as of June 30, 2024.

In addition, the current earning capacity table below as well as the information set out above take into account the following factors:

- ▶ Acquisitions of properties signed (and declared unconditional), but not taken into possession, on or prior to June 30, 2024.

Furthermore, the current earning capacity table below does not take into account the following factors:

- ▶ Divestments of properties signed, but not vacated and, thus, possession not transferred, on or prior to June 30, 2024.
- ▶ The Company’s ongoing agreement with Riksbyggen for external management of the properties included in the former joint venture Unobo. This agreement has been terminated and runs until December 31, 2024, after which it will be fully terminated. The properties currently managed by Riksbyggen will instead be managed by Sveafastigheter after the termination of the agreement, which is expected to be a more cost-effective structure from January 2025. Hence, this effect is not visible in the below earning capacity table.

The Company’s results may differ materially from the outcomes expressed in these statements. The current earning capacity must be read together with other information in the Offering Circular. For definitions and reconciliation tables, see sections “*Selected financial information – Performance measures and alternative performance measures – Definitions*” and “*Selected financial information – Performance measures and alternative performance measures – Reconciliation tables.*”

1) Includes properties that are expected to be completed within a twelve-month period from June 30, 2024. The figures related to ongoing construction have been calculated on a rolling twelve-month basis, *i.e.*, as if the relevant ongoing construction buildings would be completed on June 30, 2024.

2) Statistics Sweden, Statistical database. The data includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included.



| SEK million | Standing assets | Ongoing construction | Total |
|--|---------------------|----------------------|----------------|
| Rental value | 1,504.7 | 65.5 | 1,570.2 |
| Vacancy | -85.8 | -0.6 | -86.4 |
| Rental income | 1,418.9 | 64.9 | 1,483.8 |
| Property expenses | -461.1 | -11.4 | -472.5 |
| Net operating income | 957.8 | 53.5 | 1,011.3 |
| Property administration | -71.4 | -2.1 | -73.5 |
| Net operating income (including property administration) | 886.3 | 51.4 | 937.7 |
| Other income | 52.5 | - | 52.5 |
| Central administration | -147.6 ¹ | -3.5 | -151.1 |
| Profit before financial items, changes in property value, and goodwill²⁾ | 791.3 | 47.9 | 839.2 |

1) SEK 42 million refers to costs related to the property management services conducted on the properties included in the joint venture company that Samhällsbyggnadsbolaget i Norden AB (publ) owns together with Morgan Stanley. This implies that the net result of the external property management amounts to SEK 10.5 million.

2) Following publication of the interim report for the period January – June 2024 on August 30, 2024, the Company requested its auditor to conduct a review of the report. During this review, it was noted that the item "Profit before financial items, changes in property value, and goodwill" in the Company's earning capacity was incorrectly summed up to SEK 838 million. The correct figure is SEK 839 million, which has been reflected in the Offering Circular. Additionally, it was noted that the occupancy rate as of June 30, 2023, was mixed up with the corresponding figure as of December 31, 2023, see section "Selected financial information – Performance measures and alternative performance measures" for further information. The auditor's review of the report was published on September 28, 2024.

Alternative performance measures in current earning capacity and other relevant profitability margins

The below tables are included to illustrate (i) the alternative performance measures net operating income (including property administration) and surplus ratio as well as (ii) certain other profitability margins according to the current earning capacity. For definitions and historical figures relating to the below alternative performance measures, see section "Pro forma financial statements – Stand-alone adjustments for Sveafastigheter".

Alternative performance measures

| SEK million, unless otherwise stated | Standing assets | Ongoing construction | Total |
|---|-----------------|----------------------|--------------|
| Net operating income (excluding property administration) | 957.8 | 53.5 | 1,011.3 |
| Property administration | -71.4 | -2.1 | -73.5 |
| Net operating income (including property administration) | 886.3 | 51.4 | 937.7 |
| Rental income | 1,418.9 | 64.9 | 1,483.8 |
| Surplus ratio (including property administration) (%) | 62.5 | 79.2 | 63.2 |

Profitability margins

| SEK million, unless otherwise stated | Standing assets | Ongoing construction | Total |
|---|-----------------|----------------------|--------------|
| Result before financial items and unrealized changes in property value | 791.3 | 47.9 | 839.2 |
| External property management | 10.5 | - | 10.5 |
| Result before financial items and unrealized changes in property value (excluding external property management) | 780.8 | 47.9 | 828.7 |
| Result before financial items and unrealized changes in property value margin (%) | 55.8 | 73.8 | 56.6 |
| Result before financial items and unrealized changes in property value (excluding external property management) margin (%) | 55.0 | 73.8 | 55.8 |



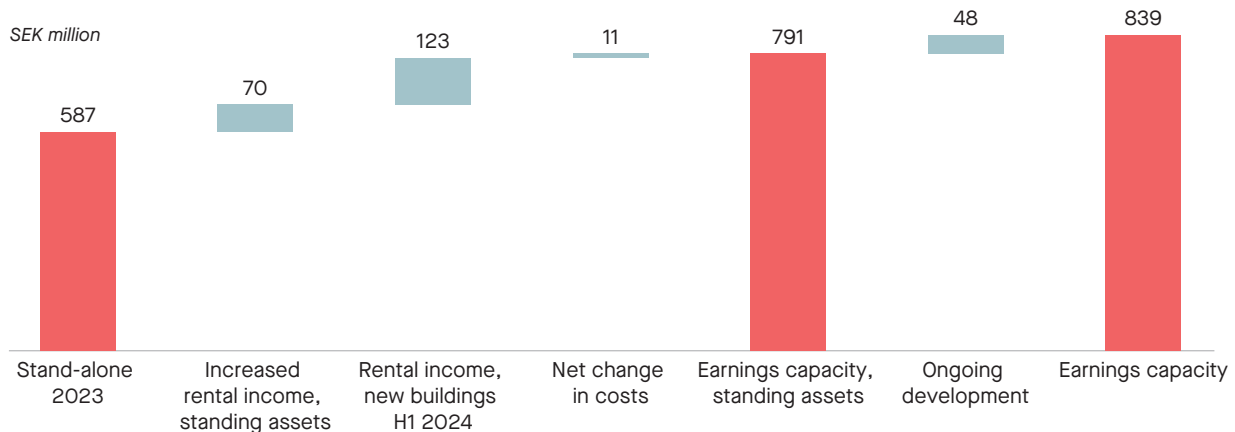
Earning capacity bridge

THE FOLLOWING INFORMATION DOES NOT CONSTITUTE PRO FORMA INFORMATION AND HAS NOT BEEN REVIEWED BY THE COMPANY'S AUDITORS

The figure below is included in the Offering Circular with the purpose to illustrate and bridge the (i) financial information set out in the section “Pro forma financial statements – Stand-alone adjustments for Sveafastigheter”, reflecting certain stand-alone adjustments for Sveafastigheter based on, *inter alia*, Sveafastigheter’s unaudited pro forma income statements for the financial year ended December 31, 2023, with (ii) the financial information provided in the

section “Current earning capacity – Statement of the most significant assumptions underlying the current earning capacity”, which is derived from the Company’s unaudited interim consolidated financial statement for the six months ended June 30, 2024, with certain forward-looking assumptions. As the comparison compares financial information set out in the section “Pro forma financial statements – Stand-alone adjustments for Sveafastigheter” against a hypothetical earnings capacity, the bridge includes forward-looking assumptions that are highly uncertain. The bridge below is presented only for illustrative purposes.

Earnings capacity bridge – EBITDA



Commentary on stand-alone pro forma financials for the financial year ended December 31, 2023, compared with twelve months earning capacity financials from June 30, 2024

Increased income

- The assumed increase in rental income from standing assets between the periods is primarily related to agreed and/or implemented rent negotiations for the Company’s residential apartments for 2024 as of June 30, 2024, amounting to an average increase in rent levels by 5.1 percent. According to the earning capacity as of June 30, 2024, the SEK 70 million total rental income increase related to standing assets, SEK 27 million related to buildings acquired during 2023.
- The assumed increase in rental income from new construction relates to such new construction that have been completed prior to June 30, 2024, with most contracts signed and buildings ready for tenants to move in, or where tenants have already moved in. The rental income related to such new construction have been calculated on a full-year basis, i.e., as if the relevant new construction would have been completed, rented and occupied. Most new construction buildings referred to relate to the former Hemvist joint venture and additional projects including Tellus ¹⁾, Tuppen ²⁾, Krämaren 8, Regementet 19, Regementet 20 and Sågklingan 6.

1) Includes parts of the projects.
2) Includes parts of the projects.

Net change in costs resulting in overall cost decrease

- Between the periods, costs have been assumed to decrease due to, according to the Company, the recent shift to a more effective and focused organization, with key drivers being:
 - Expected lower property management costs related to the former joint venture Unobo due to the property management being partly performed by the Company in-house. Further cost reductions are expected from January 2025 as the Company’s ongoing agreement with Riksbyggen for external management has been terminated and runs until December 31, 2024, after which it will be fully terminated. The properties currently managed by Riksbyggen will instead be managed by Sveafastigheter after the termination of the agreement, which is expected to be a more cost-effective structure from January 2025.

Investments in finalising buildings in the former Hemvist joint venture were for the financial year 2023 accounted for in the income statement rather than being activated in the balance sheet, which implies that such costs will not occur going forward.





Selected financial information

Unless otherwise stated, the historical financial information presented below has been derived from the Group's audited combined financial statements for the three years ended December 31, 2023, 2022 and 2021, respectively, which have been prepared in accordance with the Swedish Annual Accounts Act (Sw. årsredovisningslagen (1995:1554)), RFR 1 – Supplementary Accounting Rules for Corporate Groups (Sw. RFR 1 – Kompletterande redovisningsregler för koncerner), IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the EU and have been audited by the Company's independent auditor, Ernst & Young AB, as set forth in their audit report included elsewhere in this Offering Circular (refer to section "Historical financial information – Financial information for the financial years 2023, 2022 and 2021 – Report from independent auditor on combined financial information" on page F-35). The information has also been derived from the Company's unaudited interim consolidated financial statements for the six months ended June 30, 2024 (with comparative figures for the corresponding period in 2023), which has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and reviewed by the Company's auditor, as set forth in the auditor's review report included elsewhere in this Offering Circular (refer to section "Historical financial information – Financial information for the period January–June 2024 – Auditors' review report on the interim financial information" on page F-8). Unless expressly stated, no financial information in the Offering Circular has been audited or reviewed by the Company's auditor.

IFRS does not specifically address the preparation of combined financial statements. The term 'combined financial statements' refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to IFRS 10 Consolidated Financial Statements.

The formation of the Group is a transaction under common control and is not currently encompassed by any IFRS standard, which means that an appropriate accounting policy is to be applied in accordance with IAS 8. An applicable and accepted method is using previous carrying amounts (predecessor basis), which is the policy that Sveafastigheter has decided to apply. The financial statements have been prepared based on the financial information reported for the purposes of consolidation in the parent company SBB i Norden AB, which is the sole shareholder in Sveafastigheter up until the separation that takes place in connection with the Offering. As the separation will take place after December 31, 2023, consolidated financial statements cannot be prepared. The financial statements are thus an aggregation of this financial information and are presented as if the entities had been a group from the point in time that they had been a part of the parent company's group and mean that the entities' assets and liabilities are presented using the carrying amounts for the highest level of common control, i.e. SBB i Norden AB.

The financial information presented below is derived from Sveafastigheter's first financial statements that has been prepared in accordance with IFRS. Since the Company has historically applied the IFRS framework, there is no impact on the measurement of assets and liabilities. For additional information, see note 1 in section "Historical financial information – Financial information for the financial years 2023, 2022 and 2021".

The information in this section should be read together with the sections "Operating and financial overview", "Capitalization, indebtedness and other financial information", "Pro forma financial statements" as well as the Company's audited combined financial statements as at and for the three years ended December 31, 2023, 2022 and 2021, and the unaudited interim consolidated financial statement for the six months ended June 30, 2024, which has been included in the Offering Circular and can be found in the section "Historical financial information".



Combined income statement

| SEK million | Unaudited H1-24 | Unaudited H1-23 | Audited IFRS 2023 | Audited IFRS 2022 | Audited IFRS 2021 |
|--|--------------------|--------------------|-------------------------|-------------------------|-------------------------|
| Rental income | 652 | 542 | 1,126 | 1,002 | 628 |
| Operating costs | -220 | -177 | -342 | -325 | -218 |
| Maintenance | -29 | -39 | -80 | -60 | -47 |
| Property tax | -10 | -10 | -20 | -21 | -12 |
| Total property expenses | -260 | -226 | -441 | -406 | -278 |
| Net operating income | 392 | 317 | 685 | 596 | 350 |
| Other income from property management | 35 | 16 | 34 | 32 | 35 |
| Administration | -150 | -81 | -217 | -190 | -94 |
| Result before financial items and unrealized changes in property value and goodwill | 277 | 252 | 503 | 438 | 292 |
| Change in value of investment properties | -1,116 | -3,266 | -4,704 | -2,778 | 8,082 |
| Write-down of goodwill | -0 | -24 | -24 | - | - |
| Operating income | -839 | -3,038 | -4,225 | -2,341 | 8,374 |
| Result from joint ventures and associated companies | 95 | -138 | -322 | -259 | 501 |
| Interest income and similar profit/loss items | 2 | 51 | 9 | 29 | 69 |
| Interest expenses and similar profit/loss items | -286 | -270 | -464 | -319 | -107 |
| Land lease agreements | -1 | -1 | -2 | -2 | -2 |
| Change in value of financial instruments | -22 | -62 | -57 | -99 | 62 |
| Profit/loss before tax | -1,051 | -3,458 | -5,061 | -2,991 | 8,897 |
| Current tax | -32 | -7 | -23 | -25 | -40 |
| Deferred tax | 41 | 259 | 700 | 188 | -323 |
| Profit/loss for the period | -1,042 | -3,206 | -4,384 | -2,827 | 8,535 |
| The result of the period attributable to: | | | | | |
| The shareholders of the parent entity | -1,042 | -3,206 | -4,384 | -2,827 | 8,535 |
| Profit/loss for the period | -1,042 | -3,206 | -4,384 | -2,827 | 8,535 |



Combined balance sheet

| SEK million | Unaudited H1-24 | Unaudited H1-23 | Audited IFRS 2023-12-31 | Audited IFRS 2022-12-31 | Audited IFRS 2021-12-31 |
|---|--------------------|--------------------|-------------------------------|-------------------------------|-------------------------------|
| Goodwill | 77 | 77 | 77 | 100 | 100 |
| Intangible assets | 77 | 77 | 77 | 100 | 100 |
| Investment properties | 27,525 | 25,410 | 24,786 | 26,419 | 25,168 |
| Land lease agreement | 253 | 54 | 51 | 39 | 27 |
| Equipment, tools and installations | 2 | 1 | 1 | 0 | 10 |
| Tangible assets | 27,780 | 25,465 | 24,838 | 26,459 | 25,205 |
| Shares in joint ventures and associated companies | – | 1,798 | 1,795 | 1,767 | 1,526 |
| Claims on joint ventures and associated companies | – | 2 | 2 | 2 | 260 |
| Derivatives | 1 | 4 | 1 | 2 | 0 |
| Financial assets valued at real value | 12 | 29 | 35 | 139 | 259 |
| Other long-term claims | 25 | 25 | 24 | 1,584 ¹⁾ | 1,027 ²⁾ |
| Financial assets | 37 | 1,858 | 1,857 | 3,495 | 3,071 |
| Total non-current assets | 27,894 | 27,400 | 26,772 | 30,054 | 28,377 |
| Property held for resale | 102 | 13 | 13 | 16 | 3 |
| Rental receivables | 9 | 19 | 38 | 15 | 309 |
| Short term receivable, shareholder | – | 2,921 | 4,029 | 3,312 | 1,942 |
| Other receivables | 75 | 501 | 333 | 200 | 127 |
| Prepaid expenses and accrued income | 65 | 44 | 26 | 43 | 30 |
| Cash and cash equivalents | 916 | 3,104 | 316 | 2,913 | 2,903 |
| Total current assets | 1,167 | 6,602 | 4,754 | 6,498 | 5,315 |
| Total assets | 29,060 | 34,002 | 31,526 | 36,552 | 33,691 |
| Share capital | 1 | – | – | – | – |
| Retained earnings | 15,635 | 14,620 | 17,589 | 17,874 | 7,686 |
| Comprehensive income for the period | –1,042 | –3,206 | –4,384 | –2,827 | 8,535 |
| Total equity | 14,594 | 11,414 | 13,205 | 15,047 | 16,220 |
| Liabilities to credit institutions | 9,086 | 7,713 | 5,741 | 8,237 | 6,225 |
| Deferred tax liabilities | 982 | 1,452 | 1,031 | 1,744 | 1,941 |
| Debt related to site leasehold rights | 253 | 54 | 51 | 39 | 27 |
| Non-current liabilities to owners | 2,659 | 7,087 | 8,265 | 8,153 | 5,600 |
| Other long-term debt | 1 | 227 | 159 | 100 | 85 |
| Total non-current liabilities | 12,981 | 16,533 | 15,248 | 18,273 | 13,878 |
| Liabilities to credit institutions | 1,079 | 709 | 2,652 | 140 | 90 |
| Trade payables | 45 | 91 | 54 | 118 | 55 |
| Current tax debt | 37 | 21 | 31 | 30 | 38 |
| Short term liabilities, shareholder | – | 2,465 | 98 | 2,270 | 2,144 |
| Other liabilities | 83 | 2,642 | 54 | 505 | 1,124 |
| Accrued liabilities and deferred income | 241 | 127 | 183 | 169 | 142 |
| Total current liabilities | 1,486 | 6,055 | 3,073 | 3,232 | 3,593 |
| Total equity & liabilities | 29,060 | 34,002 | 31,526 | 36,552 | 33,691 |

1) Includes SEK 1,024 million in non-current receivables from owners.

2) Includes SEK 1,024 million in non-current receivables from owners.



Combined cash flow

| SEK million | Unaudited H1-24 | Unaudited H1-23 | Audited IFRS 2023 | Audited IFRS 2022 | Audited IFRS 2021 |
|---|--------------------|--------------------|-------------------------|-------------------------|-------------------------|
| Profit/loss before tax | -1,051 | -3,458 | -5,061 | -2,991 | 8,897 |
| Adjustments for non-cash items | | | | | |
| Depreciation | 0 | -1 | -5 | 1 | 2 |
| Change in value of investment properties | 1,116 | 3,266 | 4,704 | 2,778 | -8,082 |
| Result from joint ventures and associated companies | 17 | 138 | 322 | 259 | -501 |
| Change in value of financial instruments | 23 | 62 | 57 | 99 | -62 |
| Result from other assets | - | - | 0 | 0 | -16 |
| Adjustment for other non-cash items | 10 | 12 | 28 | 48 | 18 |
| Paid taxes | -25 | -7 | -22 | -25 | -40 |
| Cash flow from operating activities before changes in operating capital | 90 | 12 | 23 | 170 | 217 |
| Change in trade receivables | 258 | -212 | -12 | -8 | 135 |
| Change in other operating liabilities | -50 | -219 | -220 | -152 | 143 |
| Cash flow from operating activities | 298 | -419 | -209 | 10 | 496 |
| Investments in property | -210 | -639 | -1,286 | -1,390 | -800 |
| Divestments of property | - | 20 | 20 | 0 | 7 |
| Acquisition of investment properties and subsidiaries less acquired liquid assets | -285 | -988 | -1,011 | -1,704 | -5,887 |
| Cash flows from financial investments | -1 | 48 | 49 | 18 | -68 |
| Investment/divestment of associated companies and joint ventures | - | 5 ¹⁾ | 0 | - | - |
| Cash flow from investing activities | -496 | -1,554 | -2,228 | -3,076 | -6,748 |
| New share issue | 0 | - | - | - | - |
| Transactions with owners | 491 | 2,936 | 1,242 | 1,912 | 7,105 |
| Change in long term liability | - | -118 | -593 | -925 | - |
| New loans | 1,915 | - | - | 2,217 | 2,117 |
| Amortization of loans | -1,606 | -653 | -809 | -129 | -107 |
| Cash flow from financing activities | 800 | 2,165 | -160 | 3,075 | 9,116 |
| Cash flow for the period | 603 | 192 | -2,597 | 9 | 2,864 |
| Cash and cash equivalents at the beginning of the period | 316 | 2,913 | 2,913 | 2,903 | 39 |
| Cash and cash equivalents at the end of the period | 916 | 3,104 | 316 | 2,913 | 2,903 |

1) For the six-month period ended June 30, 2023, there was an incorrect accounting booking of SEK 5 million, which was corrected and rebooked in the second half of the year 2023. Had the booking been made correctly, cash flow from investment activities for the six-month period ended June 30, 2023, had totaled to SEK -1,559 million.



Segment information

Property management

| SEK million | H1-24 | H1-23 | 2023 | 2022 | 2021 |
|--|------------|---------------|---------------|---------------|--------------|
| Rental income | 652 | 538 | 1,110 | 1,000 | 628 |
| Property expenses | -260 | -225 | -438 | -406 | -278 |
| Net operating income | 392 | 314 | 672 | 595 | 350 |
| Other income from property management | - | - | - | - | - |
| Administration | - | - | - | - | - |
| Result before financial items and unrealized changes in property value and goodwill | 392 | 314 | 672 | 595 | 350 |
| Unrealized change in value of investment properties | -408 | -3,272 | -4,633 | -2,806 | 8,013 |
| Write-down of goodwill | - | - | - | - | - |
| Operating income | -16 | -2,959 | -3,961 | -2,211 | 8,364 |
| Result from joint ventures and associated companies | - | - | - | - | - |
| Interest income and similar profit/loss items | - | - | - | - | - |
| Interest expenses and similar profit/loss items | - | - | - | - | - |
| Land lease agreements | - | - | - | - | - |
| Unrealized change in value of financial instruments | - | - | - | - | - |
| Profit/loss before tax | -16 | -2,959 | -3,961 | -2,211 | 8,364 |
| Current tax | - | - | - | - | - |
| Deferred tax | - | - | - | - | - |
| Profit/loss for the period | -16 | -2,959 | -3,961 | -2,211 | 8,364 |

Construction

| SEK million | H1-24 | H1-23 | 2023 | 2022 | 2021 |
|--|-------------|----------|------------|-----------|-----------|
| Rental income | 0 | 4 | 17 | 1 | 0 |
| Property expenses | 0 | -1 | -3 | 0 | 0 |
| Net operating income | 0 | 3 | 14 | 1 | 0 |
| Other income from property management | - | - | - | - | - |
| Administration | - | - | - | - | - |
| Result before financial items and unrealized changes in property value and goodwill | 0 | 3 | 14 | 1 | 0 |
| Unrealized change in value of investment properties | -708 | 6 | -71 | 27 | 68 |
| Write-down of goodwill | - | - | - | - | - |
| Operating income | -708 | 9 | -57 | 29 | 68 |
| Result from joint ventures and associated companies | - | - | - | - | - |
| Interest income and similar profit/loss items | - | - | - | - | - |
| Interest expenses and similar profit/loss items | - | - | - | - | - |
| Land lease agreements | - | - | - | - | - |
| Unrealized change in value of financial instruments | - | - | - | - | - |
| Profit/loss before tax | -708 | 9 | -57 | 29 | 68 |
| Current tax | - | - | - | - | - |
| Deferred tax | - | - | - | - | - |
| Profit/loss for the period | -708 | 9 | -57 | 29 | 68 |



Intra-group items and eliminations

| SEK million | H1-24 | H1-23 | 2023 | 2022 | 2021 |
|--|-------------|-------------|---------------|-------------|------------|
| Rental income | - | - | - | - | - |
| Other property expenses | - | - | - | - | - |
| Net operating income | - | 0 | 0 | 0 | 0 |
| Other property income | 35 | 16 | 34 | 32 | 35 |
| Administration | -150 | -81 | -217 | -190 | -94 |
| Result before financial items and unrealized changes in property value and goodwill | -115 | -65 | -183 | -158 | -58 |
| Unrealized change in value of investment properties | - | - | - | - | - |
| Write-down of goodwill | - | -24 | -24 | - | - |
| Operating income | -115 | -89 | -207 | -158 | -58 |
| Result from joint ventures and associated companies | 95 | -138 | -322 | -259 | 501 |
| Interest income and similar profit/loss items | 2 | 51 | 9 | 29 | 69 |
| Interest expenses and similar profit/loss items | -286 | -270 | -464 | -319 | -107 |
| Land lease agreements | -1 | -1 | -2 | -2 | -2 |
| Unrealized change in value of financial instruments | -22 | -62 | -57 | -99 | 62 |
| Profit/loss before tax | -327 | -509 | -1,043 | -808 | 466 |
| Current tax | - | -7 | 677 | 163 | -363 |
| Deferred tax | - | 259 | - | - | - |
| Profit/loss for the period | -327 | -257 | -366 | -645 | 103 |

Group total

| SEK million | H1-24 | H1-23 | 2023 | 2022 | 2021 |
|---|---------------|---------------|---------------|---------------|--------------|
| Net operating income | 392 | 317 | 685 | 596 | 350 |
| Result before financial items and unrealized changes in property value | 277 | 252 | 503 | 438 | 292 |
| Operating income | -839 | -3,038 | -4,225 | -2,341 | 8,374 |
| Profit/loss before tax | -1,051 | -3,458 | -5,061 | -2,991 | 8,897 |
| Profit/loss for the period | -1,042 | -3,206 | -4,384 | -2,827 | 8,535 |



Performance measures and alternative performance measures

| SEK million | H1-24 | H1-23 | 2023 | 2022 | 2021 |
|---|---------|--------|---------|---------|---------|
| Operational | | | | | |
| Rental value, SEK million | 1,505 | 1,173 | 1,260 | 1,102 | 958 |
| Occupancy rate, % ¹⁾ | 94.3 | 94.8 | 94.3 | 95.4 | 95.4 |
| Market value of properties, SEK million | 27,525 | 25,410 | 24,786 | 26,419 | 25,168 |
| Gross floor area, sq.m. | 994,442 | n/a | 888,501 | 862,251 | 790,843 |
| Number of apartments | 14,467 | 12,512 | 12,562 | 11,719 | 10,847 |
| Number of apartments under construction | 689 | 1,016 | 1,293 | n/a | n/a |
| Number of apartments in project development | 7,223 | 7,456 | 7,795 | n/a | n/a |
| Financial | | | | | |
| Net operating income incl. property administration, SEK million | 341 | 285 | 622 | 533 | 319 |
| Surplus ratio, % | 60 | 58 | 61 | 59 | 56 |
| Surplus ratio incl. property administration, % | 52 | 53 | 55 | 53 | 51 |
| Profit from property management, SEK million | 38 | 25 | 47 | 157 | 270 |
| Loan-to-value, % | 43 | 47 | 50 | 48 | 37 |
| Debt ratio, multiple | 24 | n/a | 25 | 35 | 41 |
| Interest-coverage ratio (12 months), multiple | 2.8 | n/a | 2.4 | 3.4 | 292.4 |
| Long-term asset value, SEK billion | 15,575 | 12,862 | 14,235 | 16,789 | 18,161 |
| Equity/assets ratio, % | 50 | 34 | 42 | 41 | 48 |

1) Following publication of the interim report for the period January – June 2024 on August 30, 2024, the Company requested its auditor to conduct a review of the report. During this review, it was noted that the occupancy rate as of June 30, 2023, was mixed up with the corresponding figure as of December 31, 2023. The correct figures are 94.8 percent as of June 30, 2023 and 94.3 percent as of December 31, 2023, which has been reflected in the Offering Circular. The auditor's review of the report was published on September 28, 2024.



Definitions

| Performance measures | Definition | Justification for use of metrics |
|---|---|---|
| Rental value, SEK million | Refers to contracted annual rents plus negotiated annual rents for vacant apartments and estimated annual rents for vacant premises. | Rental value to highlight the Company's revenue potential. |
| Occupancy rate, % | Contracted annual rents at the end of the period, excluding development properties completed in the last three quarters, in relation to rental value. For development properties completed in the last three quarters, the average occupancy rate of the property portfolio is used if the occupancy rate of the development property is below the average. | The metric is used to facilitate the assessment of rental income for vacant space and other economic vacancies. |
| Market value of properties, SEK million | Fair value of the properties at the end of the period. | The metric helps investors evaluate the Company's portfolio value and assess risk. |
| Gross floor area, sq.m | Total area available for letting. | Represents the total area of the Company's premises that can be rented out to tenants. |
| Number of apartments | Number of apartments at the end of the period. | Indicates potential rent income from apartments in the portfolio. |
| Number of apartments under construction | Number of apartments in construction at the end of the period. | Indicates Sveafastigheter's new construction capabilities. |
| Number of apartments in project development | Number of apartments in project development at the end of the period. | Indicates potential in Sveafastigheter's project development portfolio. |
| Net operating income including property administration, SEK | Rental income minus property expenses and property administration. | A more detailed and comprehensive view of profitability by factoring in property administration costs. |
| Surplus ratio, % | Net operating income as a percentage of rental income for the period. | Highlights the profitability on occupied rental space. |
| Surplus ratio including property administration, % | Net operating income less property administration as a percentage of rental income for the period. | A more detailed and comprehensive view of profitability on rental space by factoring in property administration costs. |
| Profit from property management, SEK million | Profit before tax with reversal for changes in value. | Highlights Sveafastigheter's core profitability from managing its real estate assets. |
| Net debt, SEK million | Interest-bearing liabilities less cash and cash equivalents. | Highlights Sveafastigheter's net indebtedness |
| Loan-to-value ratio, % | Net debt in relation to investment properties. | Loan-to-value is showed to highlight the inherent financial risk in Sveafastigheter. |
| Debt ratio, multiple | Interest bearing debt in relation to rolling 12 months results before financial items and unrealized changes in property value. | Shows how much of the Company's operations are financed by debt to fund its activities. |
| Interest coverage ratio, multiple | Profit from property management (last 12 months) after reversal of non-recurring items and net interest (last 12 months) in relation to net interest excluding interest attributable to subordinated loans to owners and costs for early redemption of loans and leasing costs. | Key figure illustrating financial risk by showing how sensitive the Company's result is for changes in interest. |
| Long-term net asset value, SEK billion | Recognised equity with recognised deferred tax liability and interest rate derivatives added back. | Measure for Sveafastigheter's, and other listed companies', long-term net asset value facilitating analysis and comparison. |
| Equity/assets ratio, % | Reported equity as a percentage of total assets. | Highlights financial risk by showing the level of equity in terms of total assets. |



Reconciliation tables

| Rental value | H1-24 | H1-23 | 2023 | 2022 | 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| A Contract value on an annual basis at the end of the period, SEK million | 1,419 | 1,113 | 1,189 | 1,051 | 914 |
| B Vacancy value on an annual basis at the end of the period, SEK million | 86 | 60 | 71 | 51 | 44 |
| A+B Rental value at the end of the period, SEK million | 1,505 | 1,173 | 1,260 | 1,102 | 958 |
| Occupancy rate | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Contract value on an annual basis at the end of the period, SEK million | 1,419 | 1,113 | 1,189 | 1,051 | 914 |
| B Rental value at the end of the period, SEK million | 1,505 | 1,173 | 1,260 | 1,102 | 958 |
| A/B Occupancy rate, % | 94.3 | 94.8 | 94.3 | 95.4 | 95.4 |
| Net operating income incl. property administration | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Net operating income for the period according to P&L, SEK million | 392 | 317 | 685 | 596 | 350 |
| B Property administration for the period, SEK million | -51 | -32 | -64 | -63 | -32 |
| A+B Net operating income incl. property administration for the period, SEK million | 341 | 285 | 622 | 533 | 318 |
| Surplus ratio | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Net operating income for the period according to P&L, SEK million | 392 | 317 | 685 | 596 | 350 |
| B Rental income for the period according to P&L, SEK million | 652 | 542 | 1,126 | 1,002 | 628 |
| A/B Surplus ratio for the period, % | 60 | 58 | 61 | 59 | 56 |
| Surplus ratio, including property administration | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Net operating income incl. property administration for the period, SEK million | 341 | 285 | 622 | 533 | 318 |
| B Rental income for the period according to P&L, SEK million | 652 | 542 | 1,126 | 1,002 | 628 |
| A/B Surplus ratio incl. property administration for the period, % | 52 | 53 | 55 | 53 | 51 |
| Profit from property management | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Profit/loss before tax for the period according to P&L, SEK million | -1,051 | -3,458 | -5,061 | -2,991 | 8,897 |
| B Change in value of financial instruments for the period according to P&L, SEK million | 22 | 62 | 57 | 99 | -62 |
| C Value change and tax joint venture for the period, SEK million | -49 | 132 | 323 | 270 | -484 |
| D Change in value of investment properties for the period according to P&L, SEK million | 1,116 | 3,266 | 4,704 | 2,778 | -8,082 |
| E Write-down of goodwill for the period according to P&L, SEK million | - | 24 | 24 | - | - |
| A+B+C+D+E Profit from property management for the period, SEK million | 38 | 25 | 47 | 157 | 270 |
| Interest bearing debt | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Non-current liabilities to credit institutions end of period according balance sheet, SEK million | 9,086 | 7,713 | 5,741 | 8,237 | 6,225 |
| B Non-current liabilities to owners end of period according to balance sheet, SEK million | 2,659 | 7,087 | 8,265 | 8,153 | 5,600 |
| C Current liabilities to credit institutions end of period according to balance sheet, SEK million | 1,079 | 709 | 2,652 | 140 | 90 |
| D Short-term liabilities, shareholder end of period according to balance sheet, SEK million | - | 2,465 | 98 | 2,270 | 2,144 |
| E Short-term receivable, shareholder end of period according to balance sheet, SEK million | - | 2,921 | 4,029 | 3,312 | 1,942 |
| F Long-term receivable, shareholder end of period according to balance sheet, SEK million | - | - | - | 1,024 | 1,024 |
| A+B+C+D-E-F Interest bearing debt end of period, SEK million | 12,824 | 15,053 | 12,727 | 14,464 | 11,093 |
| Net debt | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Interest bearing debt end of period according to balance sheet, SEK million | 12,824 | 15,053 | 12,727 | 14,464 | 11,093 |
| B Cash and cash equivalents end of period according to balance sheet, SEK million | 916 | 3,104 | 316 | 2,913 | 2,903 |
| A-B Net debt end of period, SEK million | 11,908 | 11,949 | 12,411 | 11,551 | 8,189 |



Reconciliation tables, cont.

| Loan-to-value ratio | H1-24 | H1-23 | 2023 | 2022 | 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| A Net debt end of period according to balance sheet, SEK million | 11,908 | 11,949 | 12,411 | 11,551 | 8,189 |
| B Investment properties end of period according to balance sheet, SEK million | 27,525 | 25,410 | 24,786 | 26,419 | 25,168 |
| A/B Loan-to-value end of period, % | 43 | 47 | 50 | 44 | 33 |
| Debt ratio | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Interest bearing debt end of period according to balance sheet, SEK million | 12,824 | n/a | 12,727 | 14,464 | 11,093 |
| B Results before financial items and unrealized changes in property value (12 months) according to P&L, SEK million | 528 | n/a | 503 | 438 | 292 |
| A/B Debt ratio end of period, multiple | 24x | n/a | 25x | 33x | 38x |
| Net interest (12 months) | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Interest income and similar profit/loss items for the last 12 months according to P&L, SEK million | -40 | n/a | 9 | 29 | 69 |
| B Interest expenses and similar items for the last 12 months according to P&L, SEK million | -480 | n/a | -464 | -319 | -107 |
| A+B Net interest for the last 12 months, SEK million | -520 | n/a | -455 | -290 | -38 |
| Items affecting comparability¹⁾ | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Central administration – Consultant expenses for the period, SEK million | 14 | - | - | - | - |
| B Central administration – Rent and personnel costs for the period, SEK million | 11 | - | - | - | - |
| C Central administration – Marketing and communication expenses for the period, SEK million | 4 | - | - | - | - |
| D Central administration – Other administrative expenses for the period, SEK million | 4 | - | - | - | - |
| A+B+C+D Items affecting comparability for the period, SEK million | 33 | - | - | - | - |
| Interest coverage ratio (12 months) | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Profit from property management for the last 12 months according to P&L, SEK million | 60 | n/a | 47 | 157 | 270 |
| B Items affecting comparability (reverse) for the last 12 months, SEK million | 33 | n/a | - | - | - |
| C Net interest (reverse) for the last 12 months according to P&L, SEK million | 520 | n/a | 455 | 290 | 38 |
| A+B+C Total | 613 | n/a | 502 | 447 | 308 |
| D Net interest for the last 12 months according to P&L, SEK million | -520 | n/a | -455 | -290 | -38 |
| E Interest on forgiven debt to owners for the last 12 months according to P&L, SEK million | 300 | n/a | 247 | 158 | 35 |
| F Leasing costs for the last 12 months according to P&L, SEK million | 2 | n/a | 2 | 2 | 2 |
| D+E+F Total | -218 | n/a | -207 | -130 | -1 |
| (A+B+C)/(D+E+F) Interest-coverage ratio, x | 2.8x | n/a | 2.4x | 3.4x | 292.4x |
| Long-term net asset value (NAV) | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Equity end of period according to balance sheet, SEK million | 14,594 | 11,414 | 13,205 | 15,047 | 16,220 |
| B Reversal of derivatives end of period according to balance sheet, SEK million | -1 | -4 | -1 | -2 | -0 |
| C Reversal of deferred tax end of period according to balance sheet, SEK million | 982 | 1,452 | 1,031 | 1,744 | 1,941 |
| A+B+C Long-term net asset value end of period, SEK million | 15,575 | 12,862 | 14,235 | 16,789 | 18,161 |
| Equity/asset ratio | H1-24 | H1-23 | 2023 | 2022 | 2021 |
| A Equity end of period according to balance sheet, SEK million | 14,594 | 11,414 | 13,205 | 15,047 | 16,220 |
| B Total assets according to balance sheet, SEK million | 29,060 | 34,002 | 31,526 | 36,552 | 33,691 |
| A/B Equity/asset ratio, % | 50 | 34 | 42 | 41 | 48 |

1) Costs related to the structuring of Sveafastigheter group and starting up its organization.



Operating and financial overview

The information and discussion presented below should be read in conjunction with the sections “Selected financial information” and “Pro forma financial statements”, the Company’s audited combined financial statements for the financial years ended December 31, 2023, 2022 and 2021, respectively, and the unaudited interim consolidated financial statements for the six months ended June 30, 2024 (with comparative figures for the corresponding period in 2023) as well as the related notes included in the section “Historical financial information”. The Company’s audited combined financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554), RFR 1 – Supplementary Reporting Rules for Groups, IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC), as adopted by the EU, and have been audited by the Company’s independent auditor, Ernst & Young AB, as set forth in the auditor’s review report included elsewhere in this Offering Circular (refer to the section “Historical financial information – Financial information for the period January–June 2024 – Auditors’ review report on the interim financial information” on page F-8). The Company’s unaudited interim consolidated financial statements for the six months ended June 30, 2024 has been reviewed by the Company’s auditor and prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) and the Swedish Annual Accounts Act. Unless expressly stated, no financial information in the Offering Circular has been audited or reviewed by the Company’s auditor.

IFRS does not specifically address the preparation of combined financial statements. The term “combined financial statements” refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to IFRS 10 Consolidated Financial Statements.

The formation of the Group is a transaction under common control and is not currently encompassed by any IFRS standard, which means that an appropriate accounting policy is to be applied in accordance with IAS 8. An applicable and accepted method is using previous carrying amounts (predecessor basis), which is the policy that Sveafastigheter has decided to apply. The financial statements have been prepared based on the financial information reported for the purposes of consolidation in the parent company SBB i Norden AB, which is the sole shareholder in Sveafastigheter up until the separation that takes place in conjunction with the Offering. As the separation will take place after December 31, 2023, consolidated financial statements cannot be prepared. The financial statements are thus an aggregation of this financial information and are presented as if the entities had been a group from the point in time that they had been a part of the parent company’s group and mean that the entities’ assets and liabilities are presented using the carrying amounts for the highest level of common control, i.e. SBB i Norden AB.

The financial information presented below is derived from Sveafastigheter’s first financial statements that has been prepared in accordance with IFRS. Since the Company has historically applied the IFRS framework, there is no impact on the measurement of assets and liabilities. For additional information, see note 1 in section “Historical financial information – Financial information for the financial years 2023, 2022 and 2021”.

Certain of the information included below or set forth elsewhere in this Offering Circular, including statements of the Group’s plans, objectives, expectations and intentions, contains forward-looking statements that are subject to various risks and uncertainties. The Group’s future results of operations, financial position or cash flows may differ materially from those anticipated in these forward-looking statements as a result of many different factors, including, but not limited to, those described in this Offering Circular, including those in the section “Risk factors” and elsewhere in this Offering Circular.



Overview

Sveafastigheter is a real estate company that owns, actively manages and builds residential properties across Sweden. The Company focus on municipalities that have demonstrated a long-term demand for housing over time and that currently have a structural and growing housing deficit. The combination of high demand and strong underlying drivers result in a low risk profile and an ability to create a steadily growing operating surplus over time.

As of June 30, 2024, the standing assets consist of both acquired properties and properties developed in-house, diversified over 44 municipalities¹⁾ and consist of 14,470 apartments in 260 properties with a total property value of SEK 24.3 billion. The total lettable area as of June 30, 2024 amounted to approximately 994,000 square meters with an annual rental value of SEK 1,505 million. The Group's economic occupancy rate amounted to 94.3 percent (91 percent if including recently completed new construction)²⁾ with a long-term net asset value of SEK 15.6 billion and a net operating income according to the earnings capacity³⁾ of approximately SEK 1,011 million as of June 30, 2024. As of the same date, the exit yield amounted to approximately 4.3 percent and the surplus ratio according to the earnings capacity⁴⁾ amounted to 68 percent. The property portfolio is divided into the five market regions university cities, Stockholm-Mälardalen, Malmö-Öresund, Greater Gothenburg and other. Sveafastigheter's property portfolio consists solely of residential properties⁵⁾, but there is a small portion of commercial areas within the bottom-level of some properties, of which approximately 8 percent of the Group's total rental income is derived.

Key factors affecting Sveafastigheter's results of operations

Sveafastigheter's results of operations have been, and will continue to be, affected by a number of internal and external factors, some of which are not in its control. The historical combined financial information of Sveafastigheter in this Offering Circular may not accurately reflect what the Sveafastigheter's actual operations, financial condition and results of operations would have been had Sveafastigheter operated as an independent company and had it presented consolidated financial statements during the periods presented. With reference

to the combined financial information, the key factors that have affected Sveafastigheter's results of operations during the periods presented in the following discussion and analysis include, but are not limited to, the following:

- ▶ Rent levels, economic occupancy rate and portfolio changes;
- ▶ Property expenses and administration costs;
- ▶ Changes in the value of the property portfolio;
- ▶ Interest expenses; and
- ▶ General economic conditions and demographic trends.

Some of these factors have historically been volatile and Sveafastigheter's past performance is not necessarily an indication of its future performance. These factors may represent opportunities for Sveafastigheter, but they may also represent challenges and risks that the Company must manage successfully to be able to continue to develop its business and improve Sveafastigheter's future results of operations and financial position.

Rent levels, economic occupancy rate and portfolio changes

Rental income constitutes Sveafastigheter's main source of revenue⁶⁾, and it is mainly affected by Sveafastigheter's economic occupancy rate and rent levels. The economic occupancy rate and rent levels, in turn, are generally affected by the standard and location of the properties, changes in infrastructure and access to public transport, population growth and structure as well as general economic conditions affecting, among others, consumer prices, employment rate and dispensable household income. In addition, rental income is affected by changes in the number of apartments available to rent.

Sveafastigheter's rental income for the six-month period ended June 30, 2024 was SEK 652 million, compared to SEK 542 million for the period ended June 30, 2023, representing an increase of 20 percent. The rental income for the financial years 2021, 2022 and 2023 was SEK 628 million, SEK 1,002 million and SEK 1,126 million, respectively, representing a compounded annual growth rate of 34 percent between the financial years 2021 and 2023, whereas its net operating income during the same periods was SEK 350 million, SEK 596 million and SEK 685 million, respectively, representing a surplus

1) Based on the municipalities in which Sveafastigheter operates, with the exception of the Stockholm municipality which represents one city.

2) For new construction (i) that have been completed within the past three quarters of the relevant quarterly balance sheet date (i.e., June 30, 2024) and (ii) for which vacancy rates exceed the average vacancy rate of the Company's standing assets, (amounting to approximately 6 percent as of June 30, 2024), then the average vacancy rate of the Company's standing assets is applied (6 percent). If project vacancy is included, then the Group's economic occupancy rate amounts to 91 percent.

3) See also section "Current earning capacity".

4) See also section "Current earning capacity".

5) Residential properties refer to properties where more than 50 percent of the rental value is derived from residentials. Some of the properties also provide commercial premises, mainly on the ground floor of the buildings.

6) The Company is also expected to receive revenue going forward for the property management services conducted on the properties included in the joint venture company that SBB owns together with Morgan Stanley. During the first and second quarter of 2024, this revenue amounted to in total SEK 22 million, with Sveafastigheter's costs for the service amounting to SEK 21 million during the same period. The service is based on a contractual agreement between SBB and Sveafastigheter, which runs until the fourth quarter of 2026, at which point the current agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time (see also section "Legal considerations and supplementary information – Material agreements – Property management agreement").



ratio of 56 percent, 59 percent and 61 percent, respectively. The increase in rental income over this period was mainly attributable to an increase in the standing assets under management and, to a lesser extent, higher rent levels. During 2022 and 2023, the Swedish market was adversely affected by increasing inflation (including higher energy prices) and interest rates, resulting in higher operating costs and funding costs for Sveafastigheter. Despite the weaker sentiment during this time, Sveafastigheter's rental income and surplus ratio continued to increase, mainly driven by acquisitions and net operating income enhancing investments, such as apartment upgrades and energy efficiency improvements.

The Swedish residential property market is a regulated market where rents are generally negotiated between the property owner or an association of property owners (such as the Property-owners Association (Sw. *Fastighetsägarna*)) and a tenants' association (usually the Swedish Tenants Association (Sw. *Hyresgästföreningen*)). Rents are therefore not priced through a market-based approach based on supply and demand. See section "Market overview – Introduction – The Swedish rent regulation for apartments" for more information on the regulatory framework for the Swedish residential rental market. Due to the regulated market, Sveafastigheter is not able to raise its rent levels at its own discretion and the Group's rent levels may only, with the exception of upgrades and/or value-of-use-tests completed during the year, be increased annually. As an illustration, historically, in Sveafastigheter's view and recent experience during the high inflationary period over the past few years, rent increases in Sweden tend to lag behind consumer price index. Sveafastigheter's rents have increased by 4.36 percent on average during 2021–2023¹⁾, which is higher than the Swedish average for the same period of 3.56 percent.²⁾ However, when compared on a per square meter basis, Sveafastigheter's assets are valued at a lower rate than those in both the listed market³⁾ and listed metropolitan⁴⁾. Sveafastigheter plans to bridge the existing gap in the future due to its singular focus on its residential portfolio. As a standalone company, Sveafastigheter will place more focus on cost reduction and income improvements aiming to eliminate the gap to market levels. Sveafastigheter has also identified approximately 3,700 apartments in its property portfolio that are

eligible⁵⁾ for value-of-use tests, where the Company believes that an apartment's current rent differs from that of local comparable apartments, or upgrades. Furthermore, the Company believes that there is potential to increase rent levels through value-of-use tests (that could function to increase value-of-use rent calculations) by up to 8 percent during 2024 and 2025 (see further section "Business overview – Business areas – Property management – An overview of the property management"). However, this review is ongoing and there can be no certainty that the Company will be able to achieve such increases in rent levels.

Due to the rent-regulated market, Sveafastigheter's rental income is particularly affected by its economic occupancy rate. Sveafastigheter's economic occupancy rate has remained between 94 percent and 95 percent for the financial years 2021, 2022, 2023 and the period ended June 30, 2024, compared to the Swedish national average of 99⁶⁾ percent in 2021. Vacancy rates for residential properties in Sweden have historically been, and continue to be, low⁷⁾ due to lack of housing supply. As part of Sveafastigheter's strategy, it will focus on improving its occupancy rates as a stand-alone company as discussed in more detail in "Business overview – Business areas – Property management – An overview of the property management". The economic occupancy rate is affected by several factors, including rent levels, tenant turnover, level of housing supply, housing demand in the local area as well as standard of the properties and the level of marketing for available apartments. Changes in economic occupancy rate affect Sveafastigheter's profitability as rental income is based on the number of rented apartments, while the operating expenses are partly based on the total number of apartments. If Sveafastigheter's economic occupancy rate were to decrease, its total revenue would decrease while its maintenance and financing costs would remain relatively constant, thereby adversely affecting its profitability.

In addition to the above-mentioned factors, Sveafastigheter's rental income is affected by changes in the property portfolio through, for example, new construction and upgrades. As of June 30, 2024, Sveafastigheter had 260 properties with 14,470 apartments and a total lettable of approximately 994,000 square meters.

- 1) Average level based on rental value.
- 2) Statistics Sweden, statistical database from 2021 up until 2023.
- 3) Figures referencing the "listed market" have been calculated using data from the latest quarterly reports of the following companies: Fortinova Fastigheter AB (publ), Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ), K-Fast Holding AB (publ), Klarabo Sverige AB (publ), K2A Knaust & Andersson Fastigheter AB (publ), Neobo Fastigheter AB (publ), Fastighets AB Trianon (publ) and Wallenstam AB (publ).
- 4) Figures referencing the "listed metropolitan" have been calculated using data from the latest quarterly reports of the following companies: Heba Fastighets AB (publ), John Mattson Fastighetsföretagen AB (publ), Fastighets AB Trianon (publ) and Wallenstam AB (publ).
- 5) Based on Sveafastigheter's historical assessment the apartments that are eligible for upgrade are built before the year 1990 with a rent level below SEK 1,200 per square meter.
- 6) Statistics Sweden, Statistical database. The data includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included.
- 7) Statistics Sweden, Statistical database. The data includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included.



For ongoing projects that are currently scheduled to be completed from the period ended June 30, 2024 to the period ending June 30, 2025, these projects are expected to add approximately 690 apartments to the portfolio. In addition, the Company has further approximately 7,220 potential apartments for future development. For further information, see section “*Business overview – Business areas – New constructions*”. New-built properties have a positive effect on the overall result by generating additional revenue, and, in Sveafastigheter’s experience, new-built properties are generally more profitable (due to lower maintenance costs, and higher rents as assessed using the presumption rent method). New apartments in existing regions can also drive operational synergies and improve margins through shared central administration costs.

The Company estimates that the number of apartments in its property portfolio that are eligible¹⁾ for upgrades amounts to approximately 3,700, being the same apartments that are eligible for value-of-use-tests as referred to above. Based on this, Sveafastigheter estimates the potential upgrades could lead to an annual rent increase of approximately SEK 350–500²⁾ per square meter depending on the scope of the upgrade, a reduction of maintenance costs by SEK 25–30³⁾ per square meter, and an average yield on cost of approximately seven percent, contributing to growing property values and cash flows due to potential rental uplifts and lower maintenance costs. Sveafastigheter’s organization has previously managed to upgrade 900 apartments during one year. For further information, see section “*Business overview – Business areas – Property management – Upgrades*”.

Property expenses and administration

Property expenses mainly consist of operating costs, maintenance costs and property tax. Operating costs, which primarily consist of costs such as electricity, waste management, water, heating, are the largest component of Sveafastigheter’s total property expenses. Variations in these costs are primarily dependent on, besides the number of properties in the portfolio, the condition of the properties as well as changes in the prices of cost items, such as electricity, waste management, water and heating. Maintenance costs include running maintenance of residential areas, facade and land. Regular property maintenance aims to maintain the standard of the property in the long term, which is necessary in order to maintain the market value and rent levels of the properties in the portfolio. However, the amount of required maintenance and repair work may change, for example, as a result of

changes to energy efficiency regulations or other requirements imposed on residential properties, but larger investments in the properties are generally capitalised. The changes of seasons and weather conditions also affect maintenance costs, for example if there is a great amount of snowfall this can result in increased costs relating to outdoor area maintenance.

Property tax is regulated by the Swedish Tax Agency and the cost items are standing for a fairly limited part of Sveafastigheter’s total property expenses.

In the six-month period ended June 30, 2024, the costs for operations, maintenance and property tax amounted SEK 220 million, SEK 29 million and SEK 10 million, respectively, and together constituting SEK 260 million in total property expenses. In 2023, costs for operations, maintenance and property tax amounted to SEK 342 million, SEK 80 million and SEK 20 million, respectively, and together constituting SEK 441 million in total property expenses. Sveafastigheter’s property expenses in relation to rental income has historically remained quite stable, with 44 percent in 2021, 41 percent in 2022, 39 percent in 2023 and 40 percent for the six-month period ended June 30, 2024.

Sveafastigheter’s administration consists of costs for property administration and central administration. Administration costs amounted to SEK 217 million in 2023 and SEK 150 million in the six-month period ended June 30, 2024. To illustrate the effects of becoming a stand-alone listed entity instead of an indirectly wholly-owned subsidiary of SBB, the Company has presented stand-alone adjustments to certain line items mainly consisting of lower expected administration costs as a stand-alone entity as discussed in “*Pro forma financial statements – Stand-alone adjustments for Sveafastigheter*”. For property administration, a lower cost base is expected due to the implementation of Sveafastigheter’s own property administration systems within the Group as the Company will no longer be part of the system environment within SBB. With regards to central administration costs, Sveafastigheter has assumed in the stand-alone adjustments efficiency gains in the organization as a result of Sveafastigheter being a residential focused company compared to the diversified business model of SBB.

Property administration refers to costs related to manage the properties and their tenants, including time spent on finding new tenants, administrate rental turnover and answer questions from tenants. Costs for property administration amounted to SEK 64 million in 2023 and SEK 51 million in the six-month period ended June 30, 2024.

1) The apartments eligible for upgrade are built before the year 1990 with a rent level below SEK 1,200 per square meter.

2) Based on the Company’s historical levels of apartment upgrades.

3) Based on the Company’s historical levels of cost savings and the Company’s estimations of what the alternative cost would have been for (i) normal maintenance after a tenant moves out and (ii) normal maintenance that a tenant may require for the apartment to be habitable.



Costs for central administration comprise costs for functions at the group-wide level that are not directly attributable to property management, such as group management, group accounting, HR and group communication. To some extent, costs for central administration correlate with growth in the number of standing assets, however, there are economies of scale as most group management functions do not grow linearly with the growth of the property portfolio. Central administration costs for Sveafastigheter amounted to SEK 99 million for the six-month period ended June 30, 2024, SEK 153 million in 2023, SEK 127 million in 2022 and SEK 62 million in 2021. The largest items of Sveafastigheter's central administration are consultancy fees, association fees and salaries. Costs relating to salaries are mainly dependent on the development of salary levels, number of personnel as well as changes in the legislation regarding pension and social expenses. As of June 30, 2024, Sveafastigheter had 154 employees, which Sveafastigheter anticipates being slightly higher, at the time of the Offering, split between property administration and central administration.

Changes in the value of the property portfolio

The value of the property portfolio is affected by a number of factors, many of which are outside the Company's control, including national and regional economic development, changes in interest rates and inflation, level of new constructions of residential properties, market players' interest in property investments, access to capital and alternative returns from other asset classes, all of which affect the yield requirement on property investments and thus the value of Sveafastigheter's property portfolio. Factors within the Company's control that have an impact on value include, for example, investments in the existing portfolio and management of the property portfolio in a manner that increases property operating surplus. In addition, the overall property value is increased when additional properties are acquired, and investments are made in constructions of new-built properties. As a larger share of the property portfolio consist of new-built or newly renovated properties, the overall investment need per square meter is decreased as older properties generally have a higher capex need.

The standing assets are measured at fair value, with changes in fair value being recognized in profit or loss for the period in which they occurred. Furthermore, changes in fair value can affect Sveafastigheter's result of operations through property sales. The fair value of Sveafastigheter's standing assets in its property portfolio as per June 30, 2024 was SEK 24.3 billion. The portfolio has been appraised by the external parties Savills and Newsec on a quarterly basis.

The following table provides information on Sveafastigheter's property portfolio's valuation and changes in fair value for the periods indicated:

| | 2024-06-30 | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|--------------------------------|-------------------|---------------|---------------|---------------|
| Fair value | | | | |
| Opening carrying amount | 24,786 | 26,419 | 25,168 | 9,592 |
| Acquisitions | 3,737 | 1,669 | 2,463 | 7,180 |
| Investments | 209 | 1,286 | 1,390 | 800 |
| Sales | – | –20 | 0 | –7 |
| Unrealized value changes | –1,116 | –4,568 | –2,602 | 7,602 |
| Reclassifications | –92 ¹⁾ | – | – | – |
| Closing carrying amount | 27,525 | 24,786 | 26,419 | 25,168 |

1) Refers to reclassifications to properties held for sale. During the same period, new construction to a value of SEK 728 million were reclassified to standing assets.

| | 2024-06-30 | 2023 | 2022 | 2021 |
|--------------------------|---------------|---------------|---------------|--------------|
| Changes in value | | | | |
| Unrealized value changes | –1,116 | –4,568 | –2,602 | 7,602 |
| Realized value changes | –1 | –136 | –176 | 480 |
| Total | –1,116 | –4,704 | –2,778 | 8,082 |



Interest expenses

Sveafastigheter considers properties to be a long-term asset that requires long-term financing with a well-balanced distribution between equity and interest-bearing liabilities. Sveafastigheter has an exposure to changing interest rates and inflation, primary affecting the cost for financing. If the interest expenses increase or decrease, this will have an effect on profitability if the changed costs are not compensated with adjusted rent levels. The interest expenses for interest-bearing liabilities represent a significant cost for Sveafastigheter. Changes in market interest rates and credit margins affect the Company's financial costs and its net financial items. How quickly, and by how much, changes in these two components affect net financial items depend primarily on the chosen loan maturity, fixed-rate period and the size of the interest-bearing liabilities.

As of June 30, 2024, Sveafastigheter's net debt amounted to SEK 11,908 million (consisting of bank loans and intra-group loans), corresponding to an LTV on total properties of 43 percent and LTV on standing assets of 49 percent. For 2023, the net debt amounted to SEK 12,411 million, corresponding to an LTV on total properties of 50 percent and LTV on standing assets of 61 percent. As of June 30, 2024, the interest coverage ratio was 2.8x. For 2023, the interest coverage ratio was 2.4x. However, the historical financial statements are not indicative of the expected interest expense level due to Sveafastigheter, historically, being part of the SBB group, with different financing possibilities and a different financing market, and that the properties included in the current property portfolio of Sveafastigheter has been owned by Sveafastigheter Bostadsutveckling, Hemvist and Unobo. For a more detailed breakdown, please see the section "Selected financial information – Performance measures and alternative performance measures – Reconciliation tables".

Following the listing, Sveafastigheter's financing arrangements will consist of SEK 10,176 million in bank loans (with an unutilized credit facility of SEK 1,000 million)¹⁾ and SEK 1,669 million in bond loans. The loan amount corresponds to an LTV on total properties of 43 percent and LTV on standing assets of 49 percent based on the property portfolio as per June 30, 2024. The maturity structure of the aforementioned financing arrangements is SEK 1,826 million in 2026, SEK 9,754 million in 2027 and SEK 265 million in 2028. When loans mature this can affect the financial costs as Sveafastigheter may need to find new financing, which can imply an increase or decrease in interest rates, which in turn will affect the Company's result of operations.

Furthermore, the Group's credit agreements and outstanding bond loan include certain customary undertakings, financial covenants (including covenants about interest coverage ratio and loan-to-value ratio), restric-

tions on incurring indebtedness, pledge assets, divest assets and dividend and value transfer restrictions, see further sections "Legal considerations and supplementary information – Material agreements – Credit agreements with banks" and "Legal considerations and supplementary information – Material agreements – Bonds".

As part of managing Sveafastigheter's interest rate risk, the Company expects to utilize newly issued interest rate derivatives in the form of interest rate swaps. The interest rate derivatives will be continuously recognized at fair value in the balance sheet with changes in value in the income statement. As the market interest rates change, a theoretical surplus or deficit value arises, which does not affect cash flow unless the derivatives are settled prematurely. Sveafastigheter will partially hedge against higher interest rate levels, meaning that the market value of the interest rate derivatives decreases in a declining interest rate environment and the opposite in a rising interest rate environment. Following the listing, the Company is expected to have swaps of SEK 5.8 billion, swapping from a floating rate to an average fixed interest rate of 2.5 percent.

General economic conditions and demographic trends

The overall real estate sector is affected by macroeconomic factors such as economic growth, population growth, inflation and employment at both national and regional levels. Sveafastigheter has properties across Sweden and is thus affected by regional economic development in several geographical markets, but as Sveafastigheter operates within the residential market niche, the Company is only limitedly affected by these changes. The residential market in Sweden is, as previously mentioned, subject to a regulated market with rent-control and historically low vacancy rates.

The economic climate affects the employment rate and the household's income development, which in turn can affect the rent levels to some extent as it has an impact on demand also in rental markets. In the regions where Sveafastigheter's properties are located, the population growth was 11.6 percent in 2013–2023, the income growth was 34.8 percent in 2012–2022 and the employment growth was 1.8 percentage points in 2020–2023, indicating that Sveafastigheter is active in regions that have shown growth over time. Furthermore, of the municipalities in which Sveafastigheter's properties are located, 79 percent reported a housing deficit in 2024.

The Company also owns some commercial premises which are connected to its residential properties, which are inherently more sensitive to the fluctuations of the broader economic climate than residential properties in general. This sensitivity is primarily due to close relationship between the performance of a commercial tenant's business and their occupancy. In periods of economic

1) Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.



downturn, businesses may face reduced consumer spending, leading to lower revenues and potentially impacting their ability to meet rental obligations. Additionally, the Company's commercial contracts are to a various degree indexed to the October inflation rate in Sweden, which was 6.50¹⁾ percent in 2023. This makes the commercial rent levels more responsive to changes in the general economic conditions, and, specifically, inflation. Conversely, the demand for residential apartments tends to be more stable, as housing is a fundamental need and is less directly tied to economic cycles. However, as the commercial segment is a smaller proportion of the Company's portfolio, amounting to approximately 8 percent of the Company's total rental income as at June 30, 2024, its performance has not historically affected the Company's result of operations in a material way.

Description of key items in the Group's combined income statement

The composition of the items in the Group's combined statement of comprehensive income is described briefly below.

Rental income

The Group's income consists primarily of rental income. The income is recognized less any discounts. Lease agreements are classified in their entirety as operating lease agreements. Rental income including surcharges is announced in advance, and the rents are allocated to a certain period of time on a straight-line, why only the part of the rent charged in the period is recognized as income. Where appropriate, recognized rental income has been reduced by the value of rent discounts granted. Should lease agreements grant a reduced rental amount for a certain period of time, it is allocated to those periods on a straight-line basis over the contract period in question.

Compensation received from tenants in connection with premature termination is recognized as income when the agreement relationship with the tenant is ended and no commitments remain, which normally occurs on vacating. Based on the lease agreements that the Group has and their wording, Sveafastigheter has concluded that the service provided by the Group is subordinate to the lease agreement and that all compensation should be considered as rent. Divestments of properties are recognized when control is transferred to the buyer from the seller. An assessment of whether control has been transferred is made on each individual disposal occasion. The result of the disposal of a property is recognized as a realized change in value.

Property expenses

Property expenses that are part of the Group's net operating income, include operating expenses, maintenance costs and property tax. Operating expenses include, among other things, tariff-based costs, such as electricity, water, heating and sanitation, insurance and property maintenance. Maintenance expenses refer to costs for measures to maintain the standard and technical condition of the property. Property tax refers to both property tax based on the property's tax assessment value and, where applicable, a levy on property based on fees per apartment.

Net operating income

Net operating income consists of rental income minus property expenses, which includes operating costs, property tax and maintenance costs.

Other income from property management

Other income from property management consists of property management services provided by the Company. Historically, these services have mainly related to the former joint venture Hemvist and, since the first quarter of 2024, the Company has conducted property management services on the properties included in the joint venture company that SBB owns together with Morgan Stanley.

Administration

Administration costs consists of property administration and central administration. Property administration includes costs for property management and leasing and certain parts of financial management. Central administration consists of group-level costs which are not directly related to property administration such as management payroll, HR, IT and the finance department. Central administration also includes costs relating to the property management services conducted on the properties included in the joint venture company that SBB owns together with Morgan Stanley.

Changes in value of properties

Both unrealized and realized changes in value are recognized in the income statement on the line change in value of properties. Unrealized changes in value are calculated on the basis of the valuation at the end of the period compared with the valuation at the beginning of the period or the acquisition costs, if the property was acquired during the period, taking into account the period's investments. Realized changes in the value of properties are calculated as purchase price minus selling expenses minus book value including previously unrealized changes in value. For sales to associated companies/joint ventures, the realized change in value is reduced by the share corresponding to the Group's remaining ownership interest.

1) Statistics Sweden, CPI inflation rate 6.5 percent in October 2023 (2023).



Financial items

Interest income on receivables and interest expense on liabilities are calculated using the effective interest rate method. The effective interest rate is the rate that means the present value of all future incoming and outgoing payments during the fixed interest term is equal to the carrying amount of the asset or liability. Financial income and expenses are recognized in the period to which they pertain. Leasehold fees is what Sveafastigheter pays for its leaseholds.

Changes in value of financial instruments

At the time of the Offering, the Group will have entered into derivative contracts, including interest rate swaps with fixed interest rates, in order to hedge its interest-rate risk. The Group's derivative contracts will generally not be classified as hedge accounting under IFRS and will consequently be recognized at fair value in the Group's combined income statement. The changes in derivatives value will comprise the difference in the fair value of the interest rate swaps after discounting estimated future cash flows according to contracts and durations, and the market interest rate at the end of the period compared with fair value at the beginning of the period.

Profit before tax

Profit before tax comprises the sum of profit before financial items, value changes in properties and goodwill, results from associated companies/joint ventures, value change in financial instruments and net financial items.

Tax

Tax for the period comprises current tax and deferred tax. Taxes are recognized in the income statement, except where the underlying transaction is recognized in other comprehensive income or directly in equity, in which case the related tax effect is also recognized there. Current tax is the tax calculated on taxable profit for the period. The taxable profit differs from recognized profit in that it has been adjusted for non-taxable and non-deductible items. Current tax is tax to be paid or received in the current year, adjusted where appropriate with current tax attributable to previous periods. Deferred tax is recognized on the difference between the carrying amount and the tax base of assets and liabilities. Change in the recognized deferred tax asset or liability is recognized as an expense or income in the income statement except when the tax is attributable to items recognized in other comprehensive income or directly in equity.

Profit for the period

Profit for the period is the sum of profit before tax minus current tax and deferred tax.

Comparison between the six-month period ended June 30, 2024 and the six-month period ended June 30, 2023

Rental income

Rental income for the six-month period ended June 30, 2024 was SEK 652 million, an increase of SEK 110 million, or 20 percent, compared with SEK 542 million for the corresponding period in 2023. This was primarily attributable to rent increases and growth in the property portfolio.

Property expenses

Property expenses for the six-month period ended June 30, 2024 were SEK 260 million, an increase of SEK 34 million, or 15 percent, compared with SEK 226 million for the corresponding period in 2023. This was primarily attributable to the growth in the property portfolio.

Net operating income

As a result of the factors described above, net operating income increased with SEK 75 million, or 24 percent, for the six-month period ended June 30, 2024, from SEK 317 million for the corresponding period in 2023.

Other income from property management

Other income from property management for the six-month period ended June 30, 2024 were SEK 35 million, an increase of SEK 19 million, or 119 percent, compared with SEK 16 million for the corresponding period in 2023. This was primarily attributable to the contractual agreement between SBB and Sveafastigheter for property management services on the properties included in the joint venture company that SBB owns together with Morgan Stanley.

Administration

Administration costs for the six-month period ended June 30, 2024 were an expense of SEK 150 million, an increase of SEK 69 million, or 85 percent, compared with an expense of SEK 81 million for the corresponding period in 2023. As of the same date, administration costs related to other income from property management were SEK 34 million, whereof SEK 21 million related to the external management agreement with SBB. This was primarily attributable to an increase in central administration through an increase of number of employees.

Financial items

Financial items for the six-month period ended June 30, 2024 were an expense of SEK 285 million, an increase of SEK 65 million, or 30 percent, compared with an expense of SEK 219 million for the corresponding period in 2023. This was primarily attributable to an interest income of SEK 51 million for the corresponding period in 2023.



Changes in value of properties

The change in the Group's property value for the six-month period ended June 30, 2024 was a net decrease of SEK 1,116 million compared with a net decrease of SEK 3,266 million for the corresponding period in 2023. The net decrease for the six-month period ended June 30, 2024 was mainly due to a higher yield requirement.

Changes in value of financial instruments

The change in value of financial instruments for the six-month period ended June 30, 2024 was a net decrease of SEK 22 million compared with a net decrease of SEK 62 million in the corresponding period in 2023. The net decrease for the six-month period ended June 30, 2024 was primarily due to unrealized value changes in other shares.

Profit before tax

As a result of the factors described above, profit before tax increased with SEK 2,407 million, for the six-month period ended June 30, 2024, from SEK -3,458 million for the corresponding period in 2023 to SEK -1,051 million for the six-month period ended June 30, 2024.

Tax

The current tax for the six-month period ended June 30, 2024 was SEK 32 million, an increase of SEK 25 million, compared with SEK 7 million for the six-month period ended June 30, 2023. In the period, the deferred tax was SEK 41 million, compared with SEK 259 million for the six-month period ended June 30, 2023.

Profit for the period

As a result of the factors described above, net profit increased by SEK 2,164 million, to SEK -1,042 million for the six-month period ended June 30, 2024 compared with SEK -3,206 million for the six-month period ended June 30, 2023.

Comparison of the full year ended December 31, 2023 with the same period 2022

Rental income

Rental income for the full year ended December 31, 2023 was SEK 1,126 million, an increase of SEK 125 million, or 12 percent, compared with SEK 1,002 million for the full year ended December 31, 2022. This was primarily a result of changes in the Group's property portfolio as a result of completion of new construction, investments and the signing of new rent contracts. The economic occupancy rate as of December 31, 2023 amounted to 94.3 percent compared with 95.4 percent as of December 31, 2022. The current rental value increased to SEK 1,260 million as of December 31, 2023 from SEK 1,102 million as of December 31, 2022.

Property expenses

Property expenses for the full year ended December 31, 2023 were SEK 441 million, an increase of SEK 35 million, or 9 percent, compared with SEK 406 million for the full year ended December 31, 2022. This could primarily be attributed to completion of new construction and the general inflation environment.

Net operating income

As a result of the factors described above, net operating income for the full year ended December 31, 2023 increased by 15 percent or SEK 90 million, from SEK 596 million for the full year ended December 31, 2022 to SEK 685 million for the full year ended December 31, 2023. The net operating margin for the full year ended December 31, 2023 was 61 percent compared with 59 percent for the full year ended December 31, 2022.

Other income from property management

Other income from property management for the full year ended December 31, 2023 were SEK 34 million, an increase of SEK 2 million, or 6 percent, compared with SEK 32 million for the full year ended December 31, 2022. This was primarily attributable to changes in the property portfolio of the former joint venture Hemvist.

Administration

Administration costs for the full year ended December 31, 2023 were an expense of SEK 217 million, an increase of SEK 27 million, or 14 percent, compared with an expense of SEK 190 million for the full year ended December 31, 2022. This was primarily attributable to an increase in central administration through an increase of number of employees.

Financial items

Net financial items for the full year ended December 31, 2023 were an expense of SEK 457 million, an increase of SEK 165 million, compared with an expense of SEK 292 million for the full year ended December 31, 2022. This is primarily explained by overall increased market interest rates and enlarged liabilities as a result of the increased property portfolio.

Changes in value of properties

The change in the Group's property value for the full year ended December 31, 2023 amounted to SEK 4,704 million, compared with SEK 2,778 million for the full year ended December 31, 2022. The changes in value included realized changes in value of SEK 136 million for the full year ended December 31, 2023. The unrealized change in value of SEK 4,568 million was mainly attributable to rising exit yields. As of December 31, 2023, the average exit yield was 4.1 percent.



Changes in value of financial instruments

The change in value of financial instruments for the year ended December 31, 2023 was a net decrease of SEK 57 million compared with a net decrease of SEK 99 million for the year ended December 31, 2022. The net decrease in the value of financial instruments for the year ended December 31, 2023 was primarily due to unrealized value changes in other shares.

Profit before tax

As a result of the factors described above, profit before tax for the year ended December 31, 2023 decreased by SEK 2,071 million, from SEK –2,991 million for the year ended December 31, 2022 to SEK –5,061 million for the year ended December 31, 2023.

Tax

Tax expenses for the full year ended December 31, 2023 was SEK 23 million, a decrease of SEK 2 million, compared with SEK 25 million for the full year ended December 31, 2022. In the period, the change in deferred tax was SEK 700 million, compared with SEK 188 million for the full year ended December 31, 2022. The increase can be attributed to the large changes in value recognized in 2022.

Profit for the period

As a result of the factors described above, net profit for the period decreased to SEK –4,384 million, from SEK –2,827 million for the full year ended December 31, 2022.

Comparison of the full year ended December 31, 2022 with the same period 2021

Rental income

Rental income for the full year ended December 31, 2022 was SEK 1,002 million, an increase of SEK 374 million, or 59 percent, compared with SEK 628 million for the full year ended December 31, 2021. This was primarily a result of changes in the Group's property portfolio as a result of acquisitions, investments and the signing of new rental contracts. The economic occupancy rate as of December 31, 2022 was 95.4 percent compared with 95.4 percent as of December 31, 2021. The current rental value increased to SEK 1,102 million as of December 31, 2022 from SEK 958 million as of December 31, 2021.

Property expenses

Net property expenses for the full year ended December 31, 2022 were SEK 406 million, an increase of SEK 128 million, or 46 percent, compared with SEK 278 million for the full year ended December 31, 2021. This is primarily attributed to the general inflation environment and changes in the property portfolio, as a result of acquisitions and completion of new construction.

Net operating income

As a result of the factors described above, net operating income for the full year ended December 31, 2022 increased by 70 percent or SEK 245 million, from SEK 350 million for the full year ended December 31, 2021 to SEK 596 million for the full year ended December 31, 2022. The net operating margin for the full year ended December 31, 2022 was 59 percent compared with 56 percent for the full year ended December 31, 2021.

Other income from property management

Other income from property management for the full year ended December 31, 2022 were SEK 32 million, a decrease of SEK 3 million, or 9 percent, compared with SEK 35 million for the full year ended December 31, 2021. This was primarily attributable to changes in the property portfolio of the former joint venture Hemvist.

Administration

Administration costs for the full year ended December 31, 2022 were an expense of SEK 190 million, an increase of SEK 96 million, or 103 percent, compared with an expense of SEK 94 million for the full year ended December 31, 2021. This was primarily attributable to an increase in property administration and central administration through an increase of number of employees and properties.

Financial items

Net financial items for the full year ended December 31, 2022 were an expense of SEK 292 million, an increase of SEK 252 million, compared with an expense of SEK 39 million for the full year ended December 31, 2021. This can be partly explained by a higher debt level driven by an enlarged property portfolio during the year.

Changes in property value

The change in the Group's property value for the full year ended December 31, 2022 amounted to SEK –2,778 million, compared with SEK 8,082 million for the full year ended December 31, 2021. The unrealized changes in value of SEK –2,602 million partly consist of changes in value attributable to rising exit yields as a result of rising market interest rates. As of December 31, 2022, the average exit yield was 3.4 percent.

Changes in value of financial instruments

The change in value of financial instruments for the year ended December 31, 2022 was a net decrease of SEK 99 million compared with a net increase of SEK 62 million for the year ended December 31, 2021. The net decrease in the value of financial instruments for the year ended December 31, 2022 was primarily due to unrealized value change in other shares.

**Profit before tax**

As a result of the factors described above, profit before tax for the year ended December 31, 2022 decreased by SEK 11,888 million, from SEK 8,897 million for the year ended December 31, 2021 to SEK –2,991 million for the year ended December 31, 2022.

Tax

Tax for the full year ended December 31, 2022 was SEK 25 million, a decrease of SEK 15 million, compared with SEK 40 million for the full year ended December 31, 2021. Deferred tax for 2022 was SEK 188 million compared to SEK –323 million for the full year ended December 31, 2022, resulting in a change of SEK 511 million. The increase can be attributed to the large changes in value recognized in 2021.

Profit for the period

As a result of the factors described above, net profit for the period decreased by SEK 11,362 million, to SEK –2,827 million for the full year ended December 31, 2022 compared with SEK 8,535 million for the full year ended December 31, 2021.

Liquidity and capital resources

The Group's liquidity requirements originate primarily in the need to finance the acquisitions of properties and of property-owning companies, to finance investments in the existing portfolio and to finance working capital requirements. The Group also needs liquidity in order to pay interest on and to repay borrowings. The Group's primary source of liquidity has historically been cash flows from operating activities, bank loans and capital contributions from SBB. Following the listing, Sveafastigheter's financing arrangements will consist of SEK 10,176 million in bank loans (with an unutilized credit facility of SEK 1,000 million)¹⁾ and SEK 1,669 million in bond loans, compared to SEK 12,824 million in interest bearing debt as of June 30, 2024.

The Group's ability to generate cash flows from operating activities depends on future profits, which in turn depend on diverse factors including, but not limited to, the ones described under the section "*Description of key items in the Group's combined income statement*", some of which are beyond the Group's control. The Group's actual financing needs will depend on several different factors including general economic conditions, access to financing from banks, other financial institutions and capital markets, limitations in contractual conditions and financial development.

Cash flow

The table below shows the Company's cash flows for the six-month period ended June 30, 2024 and financial years 2021–2023.

| SEK million | H1-24 Unaudited IFRS | H1-23 Unaudited IFRS | 2023 Audited IFRS | 2022 Audited IFRS | 2021 Audited IFRS |
|-------------------------------------|----------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
| Cash flow from operating activities | 298 | –419 | –209 | 10 | 496 |
| Cash flow from investing activities | –496 | –1,554 | –2,228 | –3,076 | –6,748 |
| Cash flow from financing activities | 800 | 2,165 | –160 | 3,075 | 9,116 |
| Total cash flow | 603 | 192 | –2,597 | 9 | 2,864 |

1) Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.



Cash flow from operating activities¹⁾

The net cash flow from operating activities for the six-month period ended June 30, 2024 was SEK 298 million compared with the net cash flow from operating activities of SEK –419 million for the six-month period ended June 30, 2023.

The net cash flow from operating activities for the full year ended December 31, 2023 was SEK –209 million compared with the net cash flow to operating activities of SEK 10 million for the full year ended December 31, 2022. The net decrease in cash flow from operating activities for the full year ended December 31, 2023 includes an increase in cash flow from changes in working capital for the period.

The net cash flow from operating activities for the full year ended December 31, 2022 was SEK 10 million compared with the net cash flow in operating activities of SEK 496 million for the full year ended December 31, 2021. The net decrease in cash flow from operating activities for the full year ended December 31, 2022 includes a decrease in cash flow from changes in working capital for the period.

Cash flow from investing activities

The net cash flow to investing activities for the six-month period ended June 30, 2024 was SEK –496 million and was primarily due to acquired subsidiaries and investments in properties.

The net cash flow to investing activities for the full year ended December 31, 2023 was SEK –2,228 million and was primarily attributable to investments in properties and acquired subsidiaries.

The net cash flow to investing activities for the full year ended December 31, 2022 was SEK –3,076 million and was primarily attributable to acquired subsidiaries and investments in properties.

The net cash flow to investing activities for the full year ended December 31, 2021 was SEK –6,748 million and was primarily attributable to acquired subsidiaries, and in particular Unobo, as well as investments in properties.

Cash flow from financing activities

Net cash flow from financing activities for the six-month period ended June 30, 2024 were SEK 800 million and were primarily attributable to transactions with shareholders, amortizations or loans and changes to the Group's financing portfolio.

Net cash flow from financing activities for the full year ended December 31, 2023 were SEK –160 million and were primarily attributable to amortizations or loans and transactions with shareholders as well as changes in the Group's financing portfolio.

Net cash flow from financing activities for the full year ended December 31, 2022 were SEK 3,075 million and were primarily attributable to amortizations or loans and transactions with shareholders as well as changes in the Group's financing portfolio.

Net cash flows from financing activities for the full year ended December 31, 2021 were SEK 9,116 million and were primarily attributable to transactions with shareholders and other changes in the Group's financing portfolio.

Investments

The Group's investments primarily comprise investments in properties, including upgrades and ongoing construction, acquisitions of subsidiaries, investment of equipment and investments in associated companies/joint ventures. The table below shows the Group's historical investments.

| SEK million | H1-24 Unaudited IFRS | H1-23 Unaudited IFRS | 2023 Audited IFRS | 2022 Audited IFRS | 2021 Audited IFRS |
|--|----------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
| Investments in property | –210 | –639 | –1,286 | –1,390 | –800 |
| Divestments of property | – | 20 | 20 | – | 7 |
| Acquisitions of investment properties and subsidiaries less acquired liquid assets | –285 | –988 | –1,011 | –1,704 | –5,887 |
| Cash flows from financial investments | –1 | 48 | 49 | 18 | –68 |
| Investment/divestment of associated companies and joint ventures | – | 5* | 0 | – | – |
| Cash flow from investment activities | –496 | –1,554 | –2,228 | –3,076 | –6,748 |

* For the six-month period ended June 30, 2023, there was an incorrect accounting booking of SEK 5 million, which was corrected and rebooked in the second half of the year 2023. Had the booking been made correctly, cash flow from investment activities for the six-month period ended June 30, 2023, had totaled to SEK –1,559 million.

1) Due to difficulties of extracting and obtaining relevant historical data, no descriptions of reasons for changes in cash flow from operating activities between the relevant periods have been included.



Investments in properties

Expenditures for investments in properties for the six-month period ended June 30, 2024 were SEK 210 million, a decrease of SEK 429 million, compared with SEK 639 million for the six-month period ended June 30, 2023. The decrease was primarily attributable to lower number of upgraded apartments and investments in construction of new properties.

Expenditures for investments in properties for the full year ended December 31, 2023 were SEK 1,286 million, a decrease of SEK 104 million, compared with SEK 1,390 million for the full year ended December 31, 2022. The decrease was primarily attributable to a lower number of upgraded apartments.

The expenditures for the full year ended December 31, 2022 were SEK 1,390 million, an increase of SEK 590 million, compared with SEK 800 million for the full year ended December 31, 2021. The increase was primarily attributable to investments in construction of new properties.

Acquisition of subsidiaries

Expenditures for acquisition of subsidiaries for the six-month period ended June 30, 2024 were SEK 285 million, a decrease of SEK 703 million, compared with SEK 988 million for the six-month period ended June 30, 2023. The decrease was primarily attributable to acquisitions of building rights in the period ended June 30, 2023.

Expenditures for acquisition of subsidiaries for the full year ended December 31, 2023 was SEK 1,011 million, a decrease of SEK 693 million, compared with SEK 1,704 million for the full year ended December 31, 2022. The decrease was primarily attributable to several property acquisitions in 2022. The expenditures for the full year ended December 31, 2022 was SEK 1,704 million, a decrease of SEK 4,183 million, compared with SEK 5,887 million for the full year ended December 31, 2021. The decrease was primarily attributable to Unobo being acquired in 2021 implying an elevated expenditure for 2021.

Financial investments

Expenditures for financial investments for the six-month period ended June 30, 2024 were SEK -1 million, an increase of SEK 49 million, compared with SEK 48 million for the six-month period ended June 30, 2023. The increase was primarily attributable to new investments and divestments in financial instruments.

Expenditures for financial investments for the full year ended December 31, 2023 was SEK 49 million, a decrease of SEK 31 million, compared with SEK 18 million for the full year ended December 31, 2022. The decrease was primarily attributable to investments and divestments in financial instruments. The expenditures for the full year ended December 31, 2022 was SEK 18 million, a decrease

of SEK 86 million, compared with SEK -68 million for the full year ended December 31, 2021. The decrease was primarily attributable to investments and divestments in financial instruments.

Investments in associated companies/joint ventures

For the six-month period ended June 30, 2024 and June 30, 2023, and for the full year ended on December 31, 2023, December 31, 2022 and December 31, 2021, the Company has not made any investments in associated companies/joint ventures.¹⁾

Ongoing and future investments

Investments are regularly made within the framework of the Company's new construction projects and as of June 30, 2024, the remaining investment volume under the Company's ongoing projects amounted to SEK 306 million. The remaining investment volume is intended to be financed through liquidity sources.

Other than what is stated above, the Company has no significant ongoing investments and has not made any binding commitments with respect to future material investments.

Indebtedness

As of June 30, 2024, the Group's interest-bearing liabilities amounted to SEK 12,824 million, whereof bank loans amounted to SEK 10,165 million and intra-group loans amounted to SEK 2,659 million. Following the listing, Sveafastigheter's financing arrangements will consist of SEK 10,176 million in bank loans (with another SEK 1,000 million available to utilize)²⁾ and EUR 110.9 million and SEK 412.5 million in bond loans³⁾, as further described below.

Bank loan

As of June 30, 2024, Sveafastigheter's bank loans amounted to SEK 10,165 million. Following the listing, the Group's outstanding bank loans will amount to SEK 10,176 million. The Group's financing portfolio is divided into several credit institutions, all of which are Nordic commercial banks. For more information on the Company's bank loans, see "*Legal considerations and supplementary information – Material agreements – Financing arrangements – Credit agreements with banks*".

Intra-group loans

As of June 30, 2024, the Group had outstanding upstream intra-group loans in the amount of SEK 2,659 million, of which SEK 1,786 million were formalized through a loan agreement entered into between Sveafastigheter and SBB on July 1, 2024 (entailing that no new debt was incurred). After June 30, 2024, the outstanding debt has been fully repaid through (i) amortizations and (ii) Company and SBB agreeing to set off the amounts owed by SBB for its subscription of the bonds issued by Svea-

1) During the six-month period ended June 30, 2023, there was an incorrect accounting booking of SEK 5 million, which was corrected and rebooked in the second half of the year 2023, explaining the difference with the presented figures for investments in associated companies/joint ventures in the table set out in section "*Investments*" as well as in the interim report for the period January – June 2024 published on August 30, 2024.

2) Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.

3) The EUR bonds are hedged to SEK through currency hedging derivatives. As of August 31, 2024, the total outstanding amount of the bond loans in SEK amounted to SEK 1,669 million.



fastigheter, see further in the section “Bonds” below and (iii) unconditional shareholders’ contributions. Any further potential outstanding amount of debt between the Company and SBB is intended to be repaid in full prior to, or in connection with, the listing.

In addition to the above, as of September 30, 2024, the Group had outstanding loans to the Selling Shareholder in the amount of approximately SEK 315 million. The aforementioned loan bears interest at a rate of 5 percent per annum, payable quarterly in arrears. The loan shall be repaid on December 31, 2025 or at an earlier date if the borrower obtain new loans from a bank or any other external third party loan provider that enables the borrower to make such a repayment.

Bonds

On July 4, 2024, the Company issued senior unsecured bonds, each with a maturity date occurring on January 29, 2027 and a fixed interest rate of 4.75 percent per annum, payable semi-annually in arrears. As of the date of the Offering Circular, the Company has issued EUR securities with an aggregate principal amount of EUR 110.9 million (under a framework of EUR 183.5 million) and SEK

securities with an aggregate principal amount of SEK 412.5 million¹⁾. The bonds are subject to a maintenance test requiring the net loan-to-value ratio of Sveafastigheter to be less than 55 percent at all times, and an incurrence test requiring the interest coverage ratio of Sveafastigheter to be at least 1.5 times on the relevant incurrence test date. The bonds also include a call option allowing Sveafastigheter to redeem all or some of the bonds at par at any time from the day after July 5, 2024 to the final maturity date of each bond. The bonds are listed on the Nasdaq Transfer Market (operated by Nasdaq Stockholm, and which is not a regulated market for the purposes of Directive 2014/65/EU as amended) and are intended to be listed on the corporate bond list (regulated market) of Nasdaq Stockholm within 12 months of July 5, 2024, subject to regulatory approval. For more information, see “Legal considerations and supplementary information – Material agreements – Financing arrangements – Bonds”.

Debt maturity structure

The table below presents the maturity profile of the Group’s financial commitments following the listing.

| SEK million | By capital | | By interest | | Derivatives | Group |
|---------------|---------------|--------------|---------------|--------------|----------------|-----------------------|
| | Amount | Share, % | Amount | Share, % | Nominal amount | Average interest rate |
| 2024 | 0 | 0.0 | 155 | 1.3 | 0 | n/a |
| 2025 | 0 | 0.0 | 215 | 1.8 | 215 | 4.5 |
| 2026 | 1,826 | 15.4 | 261 | 2.2 | 0 | 2.7 |
| 2027 | 9,754 | 82.3 | 6,430 | 54.3 | 761 | 2.5 |
| 2028 | 265 | 2.2 | 200 | 1.7 | 200 | 4.5 |
| 2029 | 0 | 0.0 | 2,584 | 21.8 | 2,584 | 4.2 |
| 2030 | 0 | 0.0 | 2,000 | 16.9 | 2,000 | 4.1 |
| Totalt | 11,845 | 100.0 | 11,845 | 100.0 | 5,760 | 3.2 |

Off-balance sheet arrangements

As of June 30, 2024, the Group had no off-balance sheet arrangements.

Quantitative and qualitative information on market exposure

The Group’s management of market risk (including interest rate risk, liquidity risk, credit risk and other price risks) is described in note 22 in the audited combined financial statement for the financial year ended December 31, 2023.

Critical accounting policies and estimates

In preparing the financial reports, the Executive Management and the Board of Directors must make certain assessments and assumptions. These assessments and assumptions impact recognized asset and liability items, and income and cost items, respectively, as well as other

information presented. These assessments by the Executive Management and the Board of Directors are based on experience and the assumptions that the Executive Management and the Board of Directors deem plausible based on existing circumstances. The actual outcome may then differ from these assessments, if conditions change.

The Group’s important accounting policies are presented in note 1 in the section “Historical financial information – for the period January–June 2024 – Notes” as well as note 1 in the section “Historical financial information – Financial information for the financial years 2023, 2022 and 2021 – Notes” and the Group’s important accounting assessments, estimates and assumptions are presented in note 3 in the section “Historical financial information – Financial information for the financial years 2023, 2022 and 2021 – Notes”.

1) The EUR bonds are hedged to SEK through currency hedging derivatives. As of August 31, 2024, the total outstanding amount of the bond loans in SEK amounted to SEK 1,669 million.



Recent developments and current trends

Development trends since December 31, 2023

The Company has experienced development trends in increased construction costs and energy costs, particularly in district heating. Furthermore, interest rates and general downturns in the economic climate or disruptions in the capital and credit markets have had, and may continue to have, a significant influence on the Group (see further “ – *Known trends in the financial year 2024*”).

Other than what is set out above, the Company has not seen any development trends in production, inventory, costs and selling prices (as relevant to the Company’s business) during the period from the end of the last financial year up to the date of the Offering Circular.

Known trends in the financial year 2024

Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material impact on the Group’s prospects in the financial year 2024 are summarized below:

- ▶ Interest rates have a particularly significant influence on the Group, as they affect the overall demand for real estate, the Group’s financing cost and the value of the Group’s properties. For example, in 2022 and 2023, inflation increased in many countries globally, including Sweden, which led to a significant increase in central bank interest rates following a period of low or negative interest rates in Sweden. As a consequence, market yield requirements increased and since the first quarter of 2022 up to and including the second quarter 2024, Sveafastigheter’s exit yield increased from 3.1 percent to 4.3 percent (corresponding to an increase of approximately 39 percent), due to evolving market conditions. Looking ahead, the Company anticipates that the transaction market for residentials will stabilize supported by more benign macroeconomic factors including falling inflation implying lower interest rates.¹⁾ In addition, credit markets have begun to show signs of increased liquidity and banks continue to favor residential assets on the back of its low-risk nature. As an indication there is a notable correlation between yields and the 3-month STIBOR, suggesting that shifts in underlying interest rates are likely to be advantageous for residential assets and as such the Group’s operations.²⁾
- ▶ The Group’s income primarily derives from rental income as a result of its property portfolio consisting entirely of residential properties³⁾, for which rent-setting mechanisms are regulated by law and negotiated with the

Swedish Tenants Association annually. As a result of this year’s negotiations, rent increases amount to an average 5.1 percent for the majority of the Group’s properties and may, according to the Company’s assessment, outpace general inflation levels in Sweden during 2024. Furthermore, the tenants of the Company generally pay rent in accordance with the contracted lease agreements. The Company sees no tendencies that this will change in 2024.

- ▶ One of Sveafastigheter’s business areas is new constructions including ongoing construction and project development of new residentials in Sweden. As of June 30, 2024, the Company’s new construction portfolio consisted of approximately 7,910 apartments, of which 690 were ongoing construction and 7,220⁴⁾ were non-started projects. In the same period, the external valuations of ongoing construction at completion amounts to SEK 1,200 million with an estimated run-rate rental value of SEK 65 million upon completion. Furthermore, the Group has made certain commitments to complete projects under ongoing construction, where the remaining investment volume amounts to approximately SEK 306 million as per June 30, 2024.
- ▶ The Group’s access to capital is in general affected by general downturns in the economic climate or disruptions in the capital and credit markets. For example, ongoing geopolitical tensions and conflicts such as the Russian military invasion of Ukraine has led to, and may in 2024 continue to lead to, significant market disruptions, including significant volatility in international credit and capital markets and deteriorating financing conditions, which would have a material adverse effect on the Group’s operations.

Significant changes since June 30, 2024

Other than as set out below, no significant changes to the Group’s financial position or financial performance have occurred since June 30, 2024 until the date of the Offering Circular.

- ▶ On July 4, 2024, Sveafastigheter announced that the Company had issued new issued senior unsecured bonds in the aggregate principal amount of EUR 110.9 million (under a framework of EUR 183.5 million) and SEK 412.5 million⁵⁾. For more information, see “*Legal considerations and supplementary information – Material agreements – Financing arrangements – Bonds*”.

1) JLL Nordic Outlook Spring (2024).

2) JLL Nordic Outlook Spring (2024).

3) Defined as properties with more than 50 percent of rental value from residential properties.

4) Of which 1,300 are condominiums.

5) The EUR bonds are hedged to SEK through currency hedging derivatives. As of August 31, 2024, the total outstanding amount of the bond loans in SEK amounted to SEK 1,669 million.



- ▶ Outstanding debt to SBB has been fully repaid through (i) amortizations and (ii) Company and SBB agreeing to set off the amounts owed by SBB for its subscription of the bonds issued by Sveafastigheter and (iii) unconditional shareholders' contributions. Any further potential outstanding amount of debt between the Company and SBB is intended to be repaid in full prior to, or in connection with, the listing. In addition, as of September 30, 2024, the Group had outstanding loans to the Selling Shareholder in the amount of approximately SEK 315 million. For more information on the intra-group loans, see "*Legal considerations and supplementary information – Material agreements – Financing arrangements – Intra-group loans*".
- ▶ The Group has entered into credit agreements, entailing the raising of new long-term debt in the form of bank loans. Following the listing, the Group's outstanding bank loans will amount to SEK 10,176 million. For more information on the credit agreements, see "*Legal considerations and supplementary information – Material agreements – Financing arrangements – Credit agreements with banks*".
- ▶ During September, shares in the company Ecoclimate Group AB previously held by the Company's subsidiary Sveafastigheter Development AB, reg. no. 556985-1271, were transferred to the Selling Shareholder. The transfer was made at market price. Ecoclimate Group AB's shares are listed on Nasdaq First North Growth Market.

Capitalization, indebtedness and other financial information

The tables in this section describe the Company's capitalization and indebtedness at Group level as of August 31, 2024. The financial information that is presented below has been obtained from the Company's internal accounting and reporting system and has not been audited or reviewed by the Company's auditor, and partly on an adjusted basis in the "Adjustments" column of the of the Company's capitalization and net indebtedness to reflect the events after August 31, 2024. The adjustments made are shown in the column "Adjustments" and mainly include the following events (as further described below):

- the refinancing, amortization and utilization of bank loans, and
- amortization of intra-group loans and received shareholder contributions.

Refer to the sections "Share capital and ownership structure" and "Capitalization, indebtedness and other financial information – Capital structure following the listing" for further information about the Company's share capital and shares as well as the Company's capital structure following the listing. The tables in this section should be read in conjunction with the section "Operating and financial overview" and the Company's financial information, including the related notes, which may be found elsewhere in this Offering Circular.

Capitalization

| SEK million | As of August 31, 2024 | Adjustments | As adjusted ¹⁾ |
|---|-----------------------|----------------------|---------------------------|
| Total current debt (including current portion of non-current debt) | 1,571 | -1,079 | 492 |
| Guaranteed | - | - | - |
| Secured ²⁾ | 1,079 | -1,079 ³⁾ | - |
| Unguaranteed/unsecured | 492 | - | 492 |
| Total non-current debt (excluding current portion of non-current debt) | 12,691 | 483 | 13,174 |
| Guaranteed | - | - | - |
| Secured ⁴⁾ | 9,084 | 1,092 ⁵⁾ | 10,176 |
| Unguaranteed/unsecured | 3,608 | -609 ⁶⁾ | 2,998 |
| Shareholder equity | 14,536 | 294 | 14,830 |
| Share capital | 1 | - | 1 |
| Legal reserve(s) | - | - | - |
| Other reserves | 14,535 | 294 ⁷⁾ | 14,829 |
| Total | 28,797 | -304 | 28,493 |

1) Indicative capital structure following the listing. The indicative capital structure does not include any adjustments in relation to cash flow from operating activities for the period from August 31, 2024 up to and including the first day of trading in Sveafastigheter's share.

2) The security relates to parent company guarantees as well as share pledges and mortgage on real property.

3) Relates to refinancing of bank loans.

4) The security relates to parent company guarantees as well as share pledges and mortgage on real property.

5) Primarily relates to refinancing, amortizations and utilization of bank loans.

6) Relates to amortization of intra-group loans provided by SBB.

7) Relates to received shareholder contributions.



Net indebtedness

Sveafastigheter's net indebtedness as of August 31, 2024 is presented in the table below.

| SEK million | As of August 31, 2024 | Adjustments | As adjusted ¹⁾ |
|--|-----------------------|----------------------|---------------------------|
| (A) Cash | 404 | -304 ²⁾ | 100 |
| (B) Cash equivalents | - | - | - |
| (C) Other current financial assets | 5 | - | 5 |
| (D) Liquidity (A)+(B)+(C) | 409 | -304 | 105 |
| (E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) | 1,079 | -1,079 ³⁾ | - |
| (F) Current portion of non-current financial debt | 492 | - | 492 |
| (G) Current financial indebtedness (E+F) | 1,571 | -1,079 | 492 |
| (H) Net current financial indebtedness (G)-(D) | 1,161 | -775 | 386 |
| (I) Non-current financial debt (excluding current portion and debt instruments) | 9,693 | 483 ⁴⁾ | 10,176 |
| (J) Debt instruments ⁵⁾ | 1,669 | - | 1,669 |
| (K) Non-current trade and other payables | 1 | - | 1 |
| (L) Non-current financial indebtedness (I)+(J)+(K) | 11,364 | 483 | 11,847 |
| (M) Total financial indebtedness (H)+(L) | 12,525 | -292 | 12,233 |

1) Indicative capital structure following the listing. The indicative capital structure does not include any adjustments in relation to cash flow from operating activities for the period from August 31, 2024 up to and including the first day of trading in Sveafastigheter's share.

2) Primarily relates to (i) amortizations and utilization of bank loans and (ii) received shareholder contributions and amortization of intra-group loans provided by SBB.

3) Relates to refinancing of bank loans.

4) Primarily relates to (i) amortizations and utilization of bank loans and (ii) amortization of intra-group loans provided by SBB.

5) Relates to the Company's issued senior unsecured bonds, comprised of EUR securities with an aggregate principal amount of EUR 110.9 million (under a framework of EUR 183.5 million) and SEK securities with an aggregate principal amount of SEK 412.5 million.

Indirect liabilities and contingent liabilities

As of August 31, 2024, the Company had no indirect liabilities and/or contingent liabilities.

Capital structure following the listing

Following the listing, Sveafastigheter's financing arrangements will consist of bank loan of SEK 10,176 million (with an unutilized credit facility of SEK 1,000 million)¹⁾ with Nordic commercial, of which some credit agreements are conditional upon the listing occurring. In addition to these financing facilities, the Company has also issued senior unsecured bonds in the aggregate principal amount of EUR 110.9 million (under a framework of EUR 183.5 million) and SEK 412.5 million, each with a maturity date occurring on January 29, 2027. The maturity structure of the aforementioned financing arrangements is SEK 1,826 million in 2026, SEK 9,754 million in 2027 and SEK 265 million in 2028.

Furthermore, as of June 30, 2024, the Group had outstanding upstream intra-group loans in the amount of SEK 2,659 million, of which SEK 1,786 million were formalized through a loan agreement entered into between Sveafastigheter and SBB on July 1, 2024 (entailing that no new debt was incurred). After June 30, 2024, the outstanding debt has been fully repaid through (i) amortizations and (ii) Company and SBB agreeing to set off the amounts owed by SBB for its subscription of the

bonds issued by Sveafastigheter, see further in the section "Operating and financial overview – Liquidity and capital resources – Indebtedness – Bonds" and (iii) unconditional shareholders' contributions. Any further potential outstanding amount of debt between the Company and SBB is intended to be repaid in full prior to, or in connection with, the listing.

In addition to the above, as of September 30, 2024, the Group had outstanding loans to the Selling Shareholder in the amount of approximately SEK 315 million.

Following the listing, the Company is expected to have swaps of SEK 5.8 billion, swapping from a floating rate to an average fixed interest rate of 2.5 percent.

For further information on the financing arrangements following the listing, see "Legal considerations and supplementary information – Material agreements – Financing arrangements").

Statement on working capital

Sveafastigheter considers that its existing working capital is sufficient for the Company's current needs over the next twelve-month period from the date of this Offering Circular. In this context, working capital refers to the Company's access to liquid funds and other available assets that are required to be able to settle its obligations as they fall due for payment.

1) Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.



Board of Directors, Executive Management and auditor

Board of Directors

Sveafastigheter's Board of Directors consists of 6 ordinary members, including the chairperson of the board, without deputy board members, all of whom are elected for the period up until the end of the Annual General Meeting in 2025. The table below shows the members of the Board of Directors, when they were first elected to the Board of Directors and whether they are considered to be independent of the Company and/or major shareholders.

| Name | Position | Member since | Independent of | |
|------------------|-----------------------|--------------|--------------------------------------|--------------------|
| | | | The Company and Executive Management | Major shareholders |
| Peter Wågström | Chairman of the Board | 2024 | Yes | Yes |
| Christer Nerlich | Board member | 2024 | Yes | Yes |
| Jenny Wärmé | Board member | 2024 | Yes | Yes |
| Per O Dahlstedt | Board member | 2024 | Yes | Yes |
| Sanja Batljan | Board member | 2024 | Yes | No |
| Peder Johnson | Board member | 2024 | Yes | Yes |



Peter Wågström

Chairman of the Board since 2024

Born: 1964.

Education: Civil Engineering, Surveying, KTH Royal Institute of Technology, IMD Business School.

Other current positions: Partner of Hembygden Bostäder AB.

Chairman of the Board and CEO of the own company Arrecta AB.

Chairman of the Board of Arlandastad Group AB (publ), Brunkeberg Systems AB, Brunkeberg Systems Inc, Brunkeberg Systems IP AB and Brunkeberg Systems USA Inc.

Board member of MVB Holding AB.

Member of the Royal Institutions of Charters Surveyors (RICS) Advisory Board for Sweden and Novedo AB's Investment Committee.

Previous positions (last five years):

Chairman of the Board of Assentio AB, Bonava Industry AB, C Ventures AB, Clear Real Estate Holding 1 AB, Fastighetsaktiebolaget Arrendet 1, Fastighetsaktiebolaget Älvsjö Quarters, Fastighetsbolaget Järnhyttan AB, Jordägaren i Sigtuna Holding AB, Järnhyttan Holding AB, New Real Estate Sweden Bygg AB, New Real Estate Sweden Utveckling AB, NRES Holding Telefon AB, Penta Construction Group AB, Talkronans Parkering AB, Volabo Fastigheter AB, Volabo Holding AB and Wirba AB.

Board member of Arlandastad Group AB (publ), Tredje AP-fonden, Eastnine AB (publ), Neobo Fastigheter AB (publ), Niam AB, Niam Holding AB, C Ventures Fund I AB, Enviser Tech AB, Gelba Partner AB, Maria Ludvigsson Invest AB and SSM Holding AB. CEO of New Real Estate Sweden Utveckling AB.

Shareholding in the Company: Peter Wågström holds no shares in the Company.



Christer Nerlich

Board member since 2024

Born: 1961.

Education: Bachelor of Science in Business Administration and Economics, Uppsala University.

Other current positions: Board member of Akademiska Hus AB (publ) and Nerlich Consulting AB.

Previous positions (last five years):

Chairman of the Board and board member of several subsidiaries of Vasakronan group.

CFO of Vasakronan AB (publ).

Shareholding in the Company: Christer Nerlich holds no shares in the Company.



Jenny Wärmé

Board member since 2024

Born: 1978.

Education: Master of Laws (LLM), Stockholm University.

Other current positions: Board member of Jywfym AB.

Deputy board member of BB5 SPV C8 AB, Pansjonas AB and several subsidiaries of F. Holmström Fastigheter AB.

Partner, Head of Legal & Compliance of Slättö Förvaltning AB.

Previous positions (last five years):

Board member of Amasten Fastighets AB (publ), Nyfosa AB, Stendörren Fastigheter AB, Tre Kronor Property Investment AB, LSTH Handelsfastigheter 4 AB, PropCap Advisory Sweden AB, SLÄTTÖ CORE NYAB 18 AB and SLÄTTÖ CORE NYAB 19 AB.

Deputy board member of SLÄTTÖ CORE NYAB 16 AB and SLÄTTÖ CORE NYAB 17 AB.

Partner, Head of Legal & Corporate Affairs of Hembla AB (formerly D. Carnegie & Co AB).

Shareholding in the Company: Jenny Wärmé holds no shares in the Company.



Per O Dahlstedt

Board member since 2024

Born: 1953.

Education: Master of Science in Business Administration, Stockholm University.

Other current positions: Board member of Fondex AB and TEAL Capital AB.

Previous positions (last five years): –

Shareholding in the Company: Per O Dahlstedt holds no shares in the Company.



Sanja Batljan

Board member since 2024

Born: 1967.

Education: Master of Science in Business and Economics, the University of Mostar, Bosnia and Herzegovina. Executive Master of Finance, Svenska Managementgruppen.

Other current positions: Chairman of the Board of Ilija Batljan Invest AB (publ).

Board member of Kameo Investment Platform AB and OrganoWood AB.

Deputy board member of Missing in action AB.

Auditor of Föreningen Folkets Hus u.p.a.

Previous positions (last five years): Board member and Chairman of Audit Committee of Logistea AB.

CEO of AB Nynäshamnsbostäder, Knutpunktshuset AB and Tegeltraven Holding AB.

CFO of AB Nynäshamnsbostäder.

Shareholding in the Company: Sanja Batljan holds no shares in the Company.



Peder Johnson

Board member since 2024

Born: 1957.

Education: Studies in mathematics and law, Uppsala University.

Other current positions: Founder of Stendörren Fastigheter AB (publ).

Partner, board member and CEO of Rossekraft Aktiebolag.

Partner and board member of Fastighets AB Märta, Märta Investment AB, Strandeken Fastigheter AB and Vamlingbo Prästgården AB.

Chairman of the Board of Harg-Oppeby Bostäder AB, Harg-Oppeby Bostäder nr 2 AB, Harg-Oppeby Fastigheter Holding AB, Museum Lars Jonsson AB and Storsudrets Fastighetsutveckling AB.

Board member of Kulturhantverkakademien AB, Fastighets AB Märta, Märta Investment AB, Pejogim Holding AB, Pejogim Investment AB, Stiftelsen Södermanlands - Nerikes nation Studentbostäder, Vamlingbo Ladugårdar AB and Vamlingbo Ladugårdar Drift AB.

Board advisor to TEAL Capital AB.

Deputy board member of Johan Magnusson Fine Wine AB and Wineprofilen JM AB.

Previous positions (last five years): Co-founder of D. Carnegie & Co.

Board member of Fastighetsaktiebolaget Fattighuset and Johan Magnusson Fine Wine AB.

Shareholding in the Company: Peder Johnson holds no shares in the Company.



Executive Management



Erik Hävermark

CEO since 2024

Born: 1979.

Education: Bachelor of Science in Business and Economics, Uppsala University. Bachelor of Science in Construction Engineering, Uppsala University.

Other current positions: Board member of Bacchus JV 2 AB, Nacka 5 AB, Nacka 6 AB, Nacka 8 AB, Nacka 9 AB, Nacka 11 AB, Nacka dotter 14 AB, Notarien Eskilstuna AB, Notarien Eskilstuna Holding AB, Odalen Humana Upphandling 1 AB, SBB Idrott för alla AB and ViBoGård AB.

Deputy board member of Haga Mölnlycke 3 AB, Haga Mölnlycke BR AB, Haga Mölnlycke Holding AB, Haga Mölnlycke ÅBO AB, Järven 4 Fastigheter AB, Magsam Holding 1 AB, Magsam Holding AB, Mölnlyckes Haga Utvecklings AB, Orminge Fastighetsutveckling 1 AB, Orminge Fastighetsutveckling AB, Unobo Hästhandlaren AB, ViBoGård projekt Strängnäs AB, ViBoGård projekt Vadstena AB, Väsjön Fastighetsutveckling 1 AB, Väsjön Fastighetsutveckling AB and Väsjön Fastighetsutveckling Parkering AB.

Previous positions (last five years):

Head of Project Development of SBB. Head of Project and Property Development of Rikshem. Business Development Manager at Veidekke. Manager at JM AB. Project Manager at NCC.

Board member of Haga Mölnlycke 3 AB, Haga Mölnlycke BR AB, Haga Mölnlycke Holding AB, Haga Mölnlycke ÅBO AB, Hub Park Pottholmen AB, Mölnlyckes Haga Utvecklings AB, Stockholmsutsikt Holding AB, Stockholmsutsikt utveckling projekt AB, Svenska Stadsbyggen Development AB and several subsidiaries within Unobo group.

Deputy board member of Helsingborgshem Fyra AB and Helsingborgshem Förvaltning Fyra AB.

Shareholding in the Company: Erik Hävermark holds no shares in the Company.



Martina Lous-Christensen

CFO since 2024

Born: 1977.

Education: Master of Science in Business and Economics – Accounting (Master) and Finance (Bachelor), Lund University.

Authorized public accountant. Licensed auditor in financial companies, FAR.

Other current positions: Fund unitholder of Alma Property Partners III AB, via MLC Invest AB.

Board member of MLC Invest AB.

Previous positions (last five years): CFO Nordics of CBRE Investment Management Nordics AB. Finance Director of Alma Property Partners AB. Head of Bank and Investment Accounting at Länsförsäkringar. Audit Manager at Deloitte Sweden. Audit senior at KPMG.

Board member of Bromma Blocks Centrumhandel AB, CBRE Investment Management Nordics AB, ESCF II Sweden Holding AB, Mästerbo Enköping AB, Mästerbo Enköping Norr AB, Mästerbo Enköping Södra AB, Mästerbo Fastighets AB, Mästerbo Fastighets MidCo AB, Mästerbo Fastighets Sigtuna AB, Mästerbo Lund AB, Niam VII Stationsfastigheter Gallerian 9:an AB, Niam VII Stationsfastigheter Port 73 AB, NPF Sweden Holding AB, NPF Sweden Investment Holding AB, PEC Sweden Holding AB, Pec Sweden Orminge Holding AB, PEC Sweden Viggbyholm Holding AB, PEC Tobaksmonopolet AB, PEC Ursvik AB, PEC Ursvik Holding AB, SHF Hästdroskan AB, Serena Jägersro AB, Trafikflyget 1 i Stockholm AB, Trafikflyget 3 i Stockholm AB, Trafikflyget 5 i Stockholm AB, Trafikflyget 7 i Stockholm AB and Trafikflyget 9 i Stockholm AB.

Deputy board member of Mästerbo Fastighets AB and Mästerbo Fastighets MidCo AB.

Shareholding in the Company: Martina Lous-Christensen holds no shares in the Company.



Ola Svensson

Head of Property Management since 2024

Born: 1972.

Education: Master of Business Administration, Akelius University.

Other current positions: –

Previous positions (last five years): COO of Victoriahem AB (formerly Victoria Park AB).

Regional Manager at SBB South and Country Manager Denmark.

Board member of several subsidiaries within Victoriahem AB (formerly Victoria Park AB).

Member of the Malmö Rental Board.

Shareholding in the Company: Ola Svensson holds no shares in the Company.



Görel Hällqvist

Head of Project Development since 2024

Born: 1976.

Education: Civil Engineering, Surveying, KTH Royal Institute of Technology. Civil Engineering program, part 1 and part 2, Stockholm School of Economics.

Other current positions: Board member of Soeurs Jumelles AB.

Previous positions (last five years): Exploitation Engineer at Södertälje municipality. Project Manager at Byggvesta AB.

Shareholding in the Company: Görel Hällqvist holds no shares in the Company.



Lovisa Sörensson

Head of Transactions since 2024

Born: 1994.

Education: Civil Engineering, Real Estate and Construction Management, KTH Royal Institute of Technology.

Other current positions: –

Previous positions (last five years): Deputy and Acting Head of Transactions at Samhällsbyggnadsbolaget i Norden AB. Analyst at Möller & Partners AB.

Shareholding in the Company: Lovisa Sörensson holds no shares in the Company.

Other information relating to the Board of Directors and Executive Management

There are no family ties between any members of the Board of Directors or Executive Management.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of Directors and Executive Management of the Company and their private interests and/or other undertakings. None of the members of the Board of Directors or the members of the Executive Management have, during the last five years, (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy, (iii) been incriminated and/or sanctioned for a crime by statutory or regulatory authorities (including designated professional bodies) or (iv) been prohibited by a court of law from being a member of any issuer's administrative, management or supervisory body or from holding a senior or overarching position of any issuer's.

All members of the Board of Directors and the Executive Management are available at the Company's address, Olof Palmes gata 13A, SE-111 37 Stockholm, Sweden.

Auditor

Ernst & Young AB has been the Company's auditor since 2023 and was, at the Annual General Meeting 2024, re-elected until the end of the Annual General Meeting 2025. Jonas Svensson (born 1968) is the auditor in charge. Jonas Svensson is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). Ernst & Young AB's office address is Box 7850 SE-103 99 Stockholm. Ernst & Young AB has been auditor in the SBB group throughout the entire period which the historical financial information in this Offering Circular covers and has audited Sveafastigheter's combined financial statements for the financial years 2023, 2022 and 2021 and reviewed the interim consolidated financial statement for the six months ended June 30, 2024, compared with the six months period ended June 30, 2023.

Corporate governance

Corporate governance

Sveafastigheter is a Swedish public limited liability company. Before listing on Nasdaq First North Premier Growth Market, corporate governance in the Company was based on Swedish law and internal rules and instructions. Once the Company has been listed on Nasdaq First North Premier Growth Market, the Company will also comply with the Nasdaq First North Growth Market – Rulebook and apply the Swedish code for corporate governance (the “Code”). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and to Swedish companies whose shares are listed on Nasdaq First North Premier Growth Market. Companies that apply the Code do not have to comply with all rules in the Code as the Code itself allows for deviation from the rules, provided that such potential deviations and the chosen alternative solution are reported and the reasons for this explained in the corporate governance report (according to the so-called “comply or explain principle”).

The Company will apply the Code from the time of the listing of the shares on Nasdaq First North Premier Growth Market. Any deviations from the Code will be reported in the Company’s corporate governance report, which will be prepared for the first time for the financial year 2024. However, in the first corporate governance report, the Company does not need to explain deviations that are a result of a failure to comply with rules for which application has not been updated during the time period covered by the corporate governance report. Sveafastigheter does not currently expect to report any deviation from the Code in the corporate governance report.

General Meeting

According to the Swedish Companies Act (2005:551), the General Meeting is the Company’s ultimate decision-making body. At the General Meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Company’s results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors.

The Annual General Meeting must be held within six months from the end of the financial year. In addition to the Annual General Meeting, Extraordinary General Meetings may be convened. According to the Articles of Association, General Meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company’s website. At the time of the notice convening the meeting, information regarding the notice shall be published in *Dagens Nyheter*.

Right to participate in General Meetings

Shareholders who wish to participate in a General Meeting must be included in the shareholders’ register maintained by Euroclear Sweden on the day falling six banking days prior to the meeting and notify the Company of their participation no later than on the date stipulated in the notice convening the meeting. Shareholders may attend 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 of Directors. Such request must normally be received by the Board of Directors 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 the Company and the Group Management. In addition, at least one member of the Nomination Committee shall be independent in relation to the largest shareholder in terms of voting rights or group of shareholders who cooperates in terms of the Company’s management.

At the Extraordinary General Meeting held on September 24, 2024 it was resolved that the Nomination Committee for the Annual General Meeting 2025 shall be composed of the chairman of the board together with one representative of each of the three largest shareholders listed in the shareholders’ register maintained by Euroclear Sweden as of the expiry of the third quarter of the financial year. However, prior to the Annual General Meeting 2025, the company’s Nomination Committee shall be based on the company’s ownership statistics from Euroclear Sweden AB as of 31 October 2024. Should any of the three largest shareholders renounce its right to appoint a representative to the nomination committee, such right shall transfer to the shareholder who then in turn, after these three, is the largest shareholder in the company. The chairman of the board shall convene the nomination committee. The member representing the largest shareholder shall be appointed chairman of the nomination committee, unless the nomination committee unanimously appoints someone else.



Should a shareholder having appointed a representative to the nomination committee no longer be among the three largest shareholders at a point in time falling three months before the annual general meeting at the latest, the representative appointed by such shareholder shall resign and the shareholder who is then among the three largest shareholders shall have the right to appoint one representative to the nomination committee. Unless there are specific reasons otherwise, the already established composition of the nomination committee shall, however, remain unchanged in case such change in the ownership is only marginal or occurs during the three-month period prior to the annual general meeting. Where a shareholder has become one of the three largest shareholders due to a material change in the ownership at a point in time falling later than three months before the annual general meeting, such shareholder shall, however, in any event be entitled to appoint a representative who shall have the right to take part in the work of the nomination committee and participate in its meetings. Should a member resign from the nomination committee before the nomination committee's work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Shareholders who have appointed a representative to be a member of the nomination committee shall have the right to dismiss such member and appoint a new representative of the nomination committee. Changes to the composition of the nomination committee must be announced immediately.

The composition of the nomination committee for the annual general meeting shall normally be announced no later than six months before that meeting. Remuneration shall not be paid to the members of the nomination committee. The company is to pay any necessary expenses that the nomination committee may incur in its work. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

Board of Directors

The Board of Directors is the second-highest decision-making body of the Company after the General Meeting. According to the Swedish Companies Act, the Board of Directors is responsible for the organization of the company and the management of the company's affairs, which means that the Board of Directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management. The Board of Directors is also responsible for ensuring that annual reports and interim reports are prepared in a timely manner. Moreover, the Board of Directors appoints the CEO.

Members of the Board of Directors are normally appointed by the Annual General Meeting for the period until the end of the next Annual General Meeting.

According to the Company's Articles of Association, the members of the Board of Directors elected by the General Meeting shall be not less than three and not more than ten members with no deputy members.

According to the Code, the chairman of the Board of Directors is to be elected by the General Meeting and have a special responsibility for leading the work of the Board of Directors and for ensuring that the work of the Board of Directors is efficiently organized.

The Board of Directors 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 of the Board of Directors, functions and the division of work between the members of the Board of Directors and the CEO. At the inaugural board meeting, the Board of Directors also adopts instructions for the CEO, including instructions for financial reporting.

The Board of Directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the Board of Directors and the CEO continuously discuss the management of the Company.

Currently, the Company's Board of Directors consists of six ordinary members elected by the General Meeting, who are presented in section "*Board of Directors, Executive Management and auditor*".

Audit Committee

Sveafastigheter has an audit committee consisting of two members: Christer Nerlich and Jenny Wärmé. The Audit Committee shall, without it affecting the responsibilities and tasks of the Board of Directors, *inter alia*, monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal auditing and risk management, keep informed of the auditing of the annual report and the combined accounts, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in the preparation of proposals for the General Meeting's resolution on election of auditors.

Remuneration Committee

The Board of Directors of Sveafastigheter carries out the duties of the Remuneration Committee in their entirety. The Board of Directors' duties in this respect consist of making decisions about remuneration principles, remuneration and other terms of employment for the Executive Management team. In addition, the Board of Directors' is to monitor and evaluate the variable remuneration programmes for the Executive Management that are current or have been completed during the year as well as the Company's current remuneration structures and levels.



The CEO and Executive Management

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the Company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO is also responsible for the preparation of reports and compiling information for the board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the Company's financial position.

The CEO must continuously keep the Board of Directors informed of developments in the Company's operations, the development of sales, the Company's result and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and Executive Management are presented in section "*Board of Directors, Executive Management and auditor*".

Remuneration to the members of the Board of Directors, CEO and Executive Management

Remuneration to the Board of Directors during the financial year 2023

Fees and other remuneration to the members of the Board of Directors, including the chairman, are resolved by the General Meeting. At the Extraordinary General Meeting held on April 13, 2024, and subsequently at the Annual General Meeting held on June 28, 2024, it was resolved that the fee to the chairman of the Board of Directors should be SEK 800,000 and that the fee to the other members should be SEK 400,000. In addition, it was resolved that the fee to the chairman of the Audit Committee should be SEK 100,000 and that the fee to the other members of the Audit Committee should be SEK 70,000 each. Pro rata fees will be paid to the board from February 16, 2024, the date on which the members of the board were elected, until the end of the 2025 Annual General Meeting.

The members of the Board of Directors are not entitled to any benefits following termination of their assignments as directors of the board.

During the financial year of 2023, Sveafastigheter, including its subsidiaries, did not pay any remuneration, including fees, to the members of Sveafastigheter's Board of Directors.

Current employment agreements for the CEO and other members of the Executive Management

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other members of the Executive Management have been resolved by the Board of Directors.

During the financial year of 2023, Sveafastigheter, including its subsidiaries, has not paid any remuneration, including basic salary, to Sveafastigheter's Executive Management team.

Agreements relating to pensions shall, where possible, be based on fixed premiums and be formulated in accordance with the levels, practices and collective agreements applicable in Sweden.

For members of the Executive Management residing in Sweden, the CEO and the employer have a mutual notice period of twelve months, and a mutual notice period of between three to six months applies to the other members of the Executive Management. However, one of the members of the Executive Management is entitled to a notice period of twelve months if the employer terminates their employment within the first two years of employment, up until 1 March 2026. The CEO is entitled to severance pay of twelve months' salary, and one other member of the Executive Management is entitled to a severance pay of six months' salary, in addition to the above salary, during their notice periods in case of termination of the employments by the employer.

Furthermore, the CEO is entitled to an annual bonus of up to six monthly salaries, based on targets determined by the Board of Directors. In addition, other employees of the Group, including members of the Executive Management, have the opportunity to receive certain bonus payments, at maximum three monthly salaries per year, subject to a number of factors, such as (i) the employee receiving a positive overall assessment, (ii) the Board of Directors resolving on such bonus payments to be made and (iii) certain requirements in relation to the Company's net operating income.

Internal control

Internal control comprises the control of the Company's and the Group's organization, procedures and support measures. The objective is to ensure that reliable and accurate financial reporting takes place, that the Company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards, that the Company's assets are protected and that other requirements are fulfilled. The procedures for internal control are also intended to monitor compliance with the Company's and the Group's ICFR-related policies, principles and instructions. Internal control also



comprises risk analysis and follow-up of incorporating information and business systems. The Group identifies, assesses and manages risks based on the Group's vision and goals. Risk assessment of strategic, compliance, operational and financial risks as well as financial reporting shall be performed annually by the CFO and presented to the audit committee and the Board of Directors.

The Board of Directors and the board's Audit Committee are responsible for internal control and the CEO is responsible for the process structure within the Group.

A self-assessment of minimum requirements of defined controls mitigating identified risks for each business process shall annually be performed and reported to the audit committee and the Board of Directors. The CFO is responsible for the self-assessment process, which is facilitated by the finance function.

Auditing

The auditor shall review the Company's annual reports and accounting, as well as the management of the Board of Directors and the CEO. Following each financial year, the auditor shall submit an audit report and a combined audit report to the Annual General Meeting.

Pursuant to the Company's Articles of Association, the Company shall have not less than one and not more than two auditors and not more than two deputy auditors. The Company's auditor is Ernst & Young AB, with Jonas Svensson as auditor in charge. The Company's auditor is presented in more detail in the section "*Board of Directors, Executive Management and auditor*".

Share capital and ownership structure

General information

Pursuant to the Company's Articles of Association, the Company's share capital may not be less than SEK 500,000 and not more than SEK 2,000,000, and the number of shares may not be less than 150,000,000 and not more than 600,000,000. As of June 30, 2024, the Company's registered share capital amounted to SEK 500,000, divided into 500,000 shares. As of the date of the Offering Circular, the Company's registered share capital amounts to SEK 500,000, divided into 200,000,000 shares. The shares are denominated in SEK and the quota value of each share is SEK 0.0025.

All shares in the Company have been issued pursuant to Swedish law. All issued shares have been fully paid and are freely transferrable. With exception of the undertakings not to transfer shares in the Company during a certain period of time from the first day of trading of the Company's shares on Nasdaq First North Premier Growth Market from, among others, Selling Shareholder, the shares in the Company are freely transferable in accordance with applicable law. Refer to the section "*Share capital and ownership structure – Lock-up arrangements*" for further information.

The offered shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year.

Certain rights associated with the shares

The offered shares are all of the same class. The rights associated with the shares issued by the Company, including those pursuant to the Articles of Association, can only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).

Voting rights

Each share in the Company entitles the holder to one vote at General Meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

Preferential rights to new shares, etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Rights to dividends and balances in case of liquidation

All shares give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.

Resolutions regarding dividend 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 the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company.

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 also section "*– Important information on taxation*".

Information regarding mandatory offering and redemption of minority shares

According to the Stock Market Self-Regulation Committee's Takeover Rules for certain trading platforms, anyone who does not hold any shares or holds shares that represent less than three-tenths of the voting rights for all shares in a Swedish limited liability company, for which shares are traded on Nasdaq First North Premier Growth Market ("**Target Company**") and through the acquisition of shares in the Target Company, alone or together with an affiliated party, achieves a shareholding that represents at least three-tenths of the votes for all shares in the Target Company, must immediately publish the size of his or her shareholding in the Target Company, and within four weeks thereafter submit a public takeover offer with regard to the remaining shares in the Target Company (mandatory offering).

A shareholder who personally, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company (the "**Majority Shareholder**") has the right to redeem the remaining shares in the Target Company. Shareholders of the remaining shares ("**Minority Shareholder**") have an equivalent right to have their shares redeemed by the Majority Shareholder. The procedure for the redemption of the shares of Minority Shareholders is regulated in more detail in the Swedish Companies Act (2005:551).



Dividend policy

The Company's overarching goal is to create long-term value for its shareholders. This is achieved by reinvesting in the business to drive further growth and economies of scale through investments in properties and new construction. As a result, there will be no dividend for 2024 and the dividend will be low or none in the coming years.

Central securities register

The Company'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 AB, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company's shares. The ISIN code for the shares is SE0022243812.

Share capital development

The below table shows historical changes in the Company's share capital since the Sveafastigheters formation per September, 21 2023.

| Date | Event | Shares and votes | | Share capital (SEK) | |
|------------|---------------------|--------------------------------------|--|---------------------|---------|
| | | Change in number of shares and votes | Number of shares and votes after the transaction | Change | Total |
| 2023-09-21 | New formation | 25,000 | 25,000 | 25,000 | 25,000 |
| 2024-04-29 | New share issue | 475,000 | 500,000 | 475,000 | 500,000 |
| 2024-09-26 | Share split (400:1) | 199,500,000 | 200,000,000 | - | 500,000 |

Convertible, warrants, etc.

Upon listing of the Company's shares on Nasdaq First North Premier Growth Market, there will be no outstanding warrants, convertibles or other share-related financial instruments in the Company.

Incentive program

As of the date of the Offering Circular, the Company has not adopted any share or share-related incentive programs. However, the Board of Directors intends to propose a long-term incentive program to be adopted by the next Annual General Meeting. Further details of the program will be presented in the notice convening the Annual General Meeting 2025 and it is expected to be in line with market practice for Swedish listed companies in terms of size, costs and other relevant conditions.

Authorization for the Board of Directors to resolve on issue against payment in kind

As of the date of the Prospectus, the Board of Directors is not authorized to resolve to issue of new shares, convertible bonds or warrants. The Company, together with the Selling Shareholder, intends to resolve at an Extraordinary General Meeting, intended to be held prior to the first day of trading in Sveafastigheter's share on Nasdaq First North Premier Growth Market, to authorize the Board of Directors to resolve on the issue of shares, convertible bonds and/or warrants against payment in kind.

Ownership structure

The table below sets forth Sveafastigheter's ownership structure immediately before the Offering and the expected ownership structure immediately after completion of the Offering.

| Shareholders | Shareholding before the Offering | | After the Offering (if the Overallotment Option is not exercised) | | After the Offering (if the Overallotment Option is exercised in full) | |
|---|----------------------------------|------------|---|-------------|---|-------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| <i>Shareholders with holdings exceeding 5 percent of the shares</i> | | | | | | |
| SBB i Norden AB | 200,000,000 | 100 | 123,478,260 | 61.7 | 112,000,000 | 56.0 |
| Total | 200,000,000 | 100 | 123,478,260 | 61.7 | 112,000,000 | 56.0 |
| Other new shareholders | - | - | 76,521,740 | 38.3 | 88,000,000 | 44.0 |
| Total | 200,000,000 | 100 | 200,000,000 | 100 | 200,000,000 | 100 |

The ownership structure above refers to Sveafastigheter whose only shareholder as of the date of this Offering Circular is the Selling Shareholder. As of the date for this

Offering Circular, the Selling Shareholder, SBB i Norden AB, is a wholly owned subsidiary to Samhällsbyggnadsbolaget i Norden AB (publ).



The Selling Shareholder

The Selling Shareholder is offering a maximum total of 88,000,000 existing shares in the Offering provided that the Overallotment Option is fully exercised. The Selling Shareholder is SBB i Norden AB, Reg. No. 559053-5174, with registered office in Stockholm and office address Newsec Property Asset Management AB Box 11405, SE-404 29 Göteborg, Sweden. SBB i Norden AB is a Swedish limited liability company, formed and incorporated in Sweden and in accordance with Swedish law. Operations are conducted in accordance with Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI code is 549300IDXCK67VMBRX06.

Lock-up arrangements

Under the placing agreement which is expected to be entered into on or around October 17, 2024 the Selling Shareholder, members of the Board of Directors, members of the Executive Management and other key employees, will undertake, with certain exceptions, not to, *inter alia*, sell their respective holdings (excluding the shares offered by the Selling Shareholder by reason of the Offering) or enter into transactions with a similar effect for a certain period after trading on Nasdaq First North Premier Growth Market has commenced (the "**Lock-up Period**"). The Lock-up Period for the Selling Shareholder will be 180 days, and the Lock-up Period for members of the Board of Directors, members of the Executive Management and other key employees, will be 360 days. At the end of the respective Lock-up Periods, the shares may be offered for sale, which may affect the market price of the share. The lock-up commitment made by the members of the Board of Directors, the members of the Executive Management and other key employees however only apply as long as the respective person is a member of the Board of Directors, the Executive Management or a key employee of the Company.

The transfer restrictions described above are subject to customary restrictions and exceptions, such as sales in connection with public takeover bids, selling of shares pursuant to a repurchase offer made by the Company to all holders of shares, or where the transfer of the shares is required by administrative or legal requirements. Furthermore, the Selling Shareholder's undertaking contains exceptions for intra-group transfers, pledging of shares and realization of collateral made under any pledge agreement.

The Managers may grant exceptions to the aforementioned commitments, which, with regard to the Selling Shareholder's commitment, the Managers acknowledge may be if, *inter alia*, it would be favourable to further strengthen the liquidity of the Company's share and/or contribute to a diversified and strong ownership structure. Exceptions to the lock-up commitments are determined on a case-by-case basis and can be of both a personal and commercial nature.

Furthermore, in the placing agreement, the Company will undertake towards the Managers that, for a period of 180 days from the first day of trading in the Company's shares on Nasdaq First North Premier Growth Market, not to, *inter alia*, offer, allot, issue, sell or otherwise transfer or dispose of any of the Company's shares or enter into transactions with a similar effect. The Managers may grant exemptions from these limitations. The aforementioned restrictions do however not apply in respect of any issue in kind and the issue or transfer of shares and warrants pursuant to any employee or board incentive plans proposed to a general meeting.

For further information on the placing agreement, see the section "*Legal considerations and supplementary information – Placing agreement*".

Articles of association

Articles of Association of Sveafastigheter AB (publ)

(Reg. no. 559449-4329)

Adopted at the extraordinary general meeting on 24 September 2024.

1§ Name of company

The company's name is Sveafastigheter AB (publ).

2§ Registered office

The company's registered office shall be situated in Stockholm.

3§ Object of the company's business

The company shall, directly or indirectly, own, manage and develop real property and/or shares, along with activities related to such operations.

4§ Share capital and shares

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000. The number of shares shall be not less than 150,000,000 and not more than 600,000,000.

5§ Financial year

The company's financial year shall be the calendar year.

6§ Board of directors

The board of directors elected by the general meeting shall consist of not less than three (3) members and not more than ten (10) members.

7§ Auditor

The company shall have not less than one (1) and not more than two (2) auditors and not more than two (2) deputy auditors. As auditor and, when applicable, deputy auditor, shall an authorised public accountant or a registered public accounting firm be elected.

8§ Notice of general meeting

Notice of general meetings shall be made through announcement in Post- och Inrikes Tidningar and on the company's website. It shall be announced in Dagens Nyheter that a notice of a general meeting has been issued.

9§ Participation at general meetings

In order to participate at a general meeting, a shareholder must notify the company of the intention to attend no later than on the day stipulated in the notice of the general meeting. Such a day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the general meeting.

A shareholder may be accompanied by assistants at a general meeting only where the shareholder has given the company notice of the number of assistants (not more than two) as specified in the previous paragraph.

10§ Business at annual general meetings

The following business shall be addressed at annual general meetings:

1. election of a chairperson of the meeting;
2. preparation and approval of the voting list;
3. approval of the agenda;
4. election of one or two persons who shall approve the minutes of the meeting;
5. determination of whether the meeting was duly convened;
6. submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. resolutions regarding the adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
8. resolutions regarding allocation of the company's profit or loss in accordance with the adopted balance sheet;
9. resolutions regarding discharge of the members of the board of directors and the managing director from liability;
10. determination of the number of members of the board of directors, and the number of auditors and deputy auditors;
11. determination of fees for members of the board of directors and auditors;
12. election of the members of the board of directors, and auditors and deputy auditors;
13. other matters which are set out in the Swedish Companies Act or the company's articles of association.

11§ Collecting the powers of attorneys and vote by post

The board of directors may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551). The board of directors has the right before a general meeting to decide that the shareholders shall be able to exercise their right to vote by post before the general meeting.

12§ Euroclear company

The Company's shares shall be registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).



Legal considerations and supplementary information

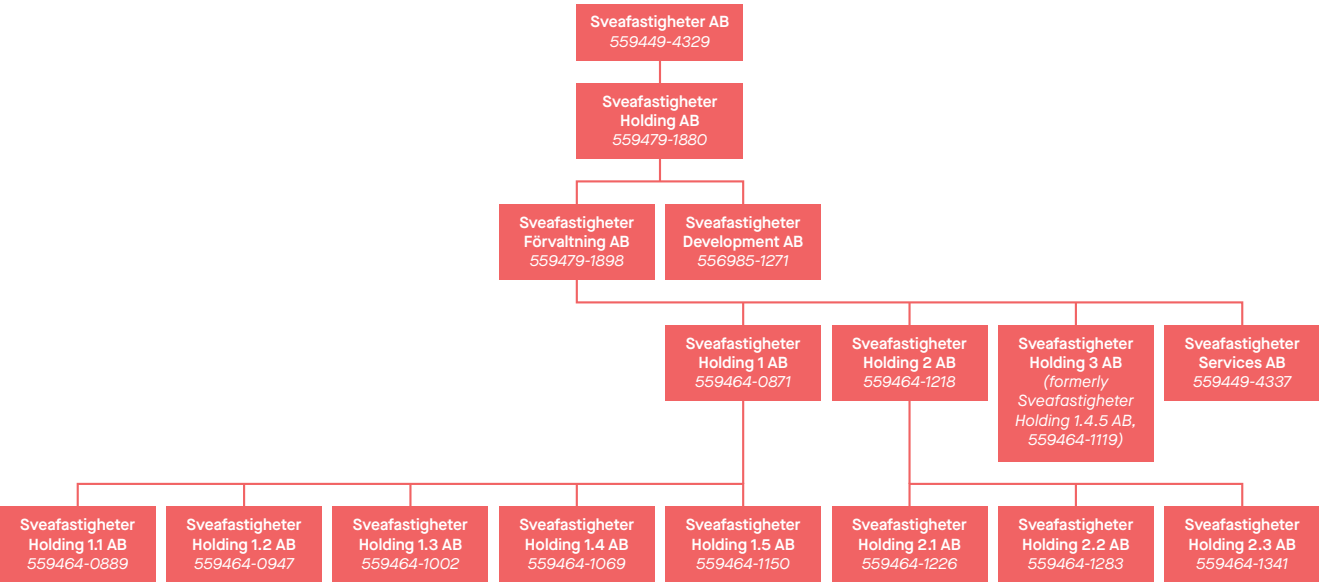
Approval from the SFSA

The Swedish Prospectus has been approved by the SFSA as competent authority under the Prospectus Regulation. The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of the Swedish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus was approved by the SFSA on October 7, 2024. The Swedish Prospectus is valid for up to twelve months following the date of the approval of the Swedish Prospectus, provided that it is completed by any supplement required pursuant to Article 23 of the Prospectus Regulation. Any supplements will be published on the Company's website.

Legal group structure

The Company's business is conducted in accordance with the Swedish Companies Act. The parent company, Sveafastigheter AB (publ) (Reg. No 559449-4329) is a Swedish public limited liability company which was founded on August 29, 2023 and registered with the Swedish Companies Registration Office on September 21, 2023. The Company is situated in Stockholm, Sweden.

As of the date of the Offering Circular, the Group comprised several subsidiaries, all of which are established in Sweden, and wholly owned, directly or indirectly, by Sveafastigheter. The following chart illustrates the key companies within the Group as of the date of the Offering Circular.





Material agreements

As of the date of this Offering Circular, the following agreements (excluding agreements entered into in the ordinary course of business) have been entered into by the Group and are, or may become, material for the Group.

Separation agreement

Prior to the Offering, the Group's operations have been separated from the SBB group. To regulate certain outstanding separation matters related to the separation between the Company and the SBB group, the Company and SBB have entered into a so-called separation agreement (the "**Separation Agreement**"). According to the Separation Agreement, SBB shall for a limited period provide Sveafastigheter with company accounting services for a limited number of companies as well as certain IT services. Furthermore, the Separation Agreement regulates, *inter alia*, non-solicitation obligations for each party, future provision of historical information, certain issues regarding disclosure of information and confidentiality as well as expenses related to the earlier restructuring and the Offering. The Company believes that the Separation Agreement has been entered on arm's length terms.

Property management agreement

The Company and SBB have entered into an asset management agreement regarding property management services conducted on the companies and properties included in the joint venture company SBB Residential Property AB that Samhällsbyggnadsbolaget i Norden AB (publ) owns together with Morgan Stanley Real Estate Investing. The agreement runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time.

Financing arrangements

Credit agreements with banks

General information

Certain of the Company's subsidiaries have signed credit agreements whereby the subsidiaries are borrowers and other subsidiaries, and in certain cases the Company, act as guarantors. These financing facilities are provided by several credit institutions, all of which are Nordic commercial banks. The subsidiaries have pledged collateral for the commitments provided under the relevant credit agreements in favor of each of the banks, as applicable. The collateral primarily consists of pledges of shares in the Company's subsidiaries, pledges of downstream loans, mortgages in properties, pledge of bank accounts and guarantee commitments from the Company and other subsidiaries for the borrowers' commitments vis-à-vis each of the banks, as applicable. The Company and some of the Company's subsidiaries have also entered into

subordination commitments with certain banks in relation to the credit agreements, meaning that the relevant subsidiaries of the Group have contractually agreed to subordinate their claims in order to procure that the indebtedness incurred under the relevant credit agreements rank first in order and priority of payment. The Group's total indebtedness under the credit agreements will, following the listing, amount to approximately SEK 10,176 million (with an unutilized credit facility of SEK 1,000 million)¹⁾, of which the entire amount comprised secured debt. Most of the credit agreements carry a variable interest rate and were signed with the banks based on customary terms and conditions. The credit agreements contain customary change of control provisions giving the lender in certain agreements the right to cancel the commitments thereunder and declare any outstanding loan and all other amounts accrued under the finance documents related thereto immediately due and payable, if, amongst other things, any person, or group of persons acting in concert (directly or indirectly) after the Offering takes control over 30 percent or more of the shares and/or votes in the Company. Furthermore, one of the credit agreements has a provision stating that a mandatory repayment is triggered if (i) SBB's shareholding (direct or indirect) in the Company falls below 50 percent and (ii) SBB thereafter acquires or otherwise regains direct or indirect control over 50 percent or more of the shares and/or votes in the Company.

In addition, certain subsidiaries have entered into certain external financial arrangements such as interest rate swap arrangements relating to the external debt financing mentioned above. Also, the Company and SBB have entered into an interest rate swap arrangement, which is intended to be terminated prior to the listing.

Covenants in credit agreements

The credit agreements include standard undertakings, financial covenants (including covenants about interest coverage ratio and loan-to-value ratio), information undertakings and grounds for termination for the borrowers and, as applicable, the Company and other subsidiaries as guarantors.

Some credit agreements include restrictions for borrowers and, in certain cases, its guarantors to incur indebtedness, pledge assets, divest assets, acquire shares or change the business. Some credit agreements include so called cross default provisions entailing that all outstanding financing and other commitments from the bank in question fall due for repayment ahead of schedule if the borrower or other members of the Group do not fulfil their covenants or otherwise breaches their covenants or undertakings under other agreements to which the borrower or member is a party. In addition, some credit agreements include negative pledge provisions and equity ratio provisions.

1) Additional approximately SEK 100 million under a separate credit facility may become available should the Company fulfil certain conditions.



Intra-group loans

As of June 30, 2024, the Group had outstanding upstream intra-group loans in the amount of SEK 2,659 million, of which SEK 1,786 million were formalized through a loan agreement entered into between Sveafastigheter and SBB on July 1, 2024 (entailing that no new debt was incurred). After June 30, 2024, the outstanding debt has been fully repaid through (i) amortizations and (ii) Company and SBB agreeing to set off the amounts owed by SBB for its subscription of the bonds issued by Sveafastigheter, see further in the section “*Bonds*” below and (iii) unconditional shareholders’ contributions. Any further potential outstanding amount of debt between the Company and SBB is intended to be repaid in full prior to, or in connection with, the listing.

In addition to the above, as of September 30, 2024, the Group had outstanding loans to the Selling Shareholder in the amount of approximately SEK 315 million. The aforementioned loan bears interest at a rate of 5 percent per annum, payable quarterly in arrears. The loan shall be repaid on December 31, 2025 or at an earlier date if the borrower obtain new loans from a bank or any other external third party loan provider that enables the borrower to make such of repayment.

Bonds

Senior unsecured bonds 2024/2027

On June 13, 2024, SBB offered its senior unsecured and hybrid bondholders the possibility to exchange their bonds in SBB for bonds in Sveafastigheter via an unmodified Dutch auction process. As part of the offer, Sveafastigheter issued new bonds denominated in EUR and in SEK. All previously issued EUR, SEK and NOK senior unsecured and hybrid bonds in SBB were eligible for the exchange in the process, with EUR bondholders having the option to exchange into the new EUR denominated bonds or SEK denominated bonds, whilst SEK/NOK bondholders were eligible to exchange into the new SEK denominated bonds. For the bonds that were accepted in the exchange, bondholders received their total consideration divided into 80 percent new bonds in Sveafastigheter and 20 percent cash payment, provided that they met the securities minimum denomination and that certain other transaction conditions were met for the cash component of the consideration. The outcome of the exchange offer was announced by SBB on June 28, 2024. As a result of the offer, Sveafastigheter settled the issuance of new SEK and EUR bonds on July 5, 2024, in the aggregate principal amount of EUR 110.9 million (under a framework of EUR 183.5 million) and the SEK 412.5 million, respectively.

The bonds issued by Sveafastigheter are senior unsecured bonds, each with a maturity date occurring on January 29, 2027 and a fixed interest rate of 4.75 percent per annum, payable semi-annually in arrears. The bonds are subject to a maintenance test requiring the net loan-to-value ratio of Sveafastigheter to be less than 55 percent at all times, and an incurrence test requiring the interest

coverage ratio of Sveafastigheter to be at least 1.5 times on the relevant incurrence test date. The bonds also include a call option allowing Sveafastigheter to redeem all or some of the bonds at par at any time from the day after July 5, 2024 to the final maturity date of each bond.

The terms and conditions of the bond loan include customary undertakings (including information undertakings, undertakings regarding the insurance and maintenance of the properties, disposal restrictions and restrictions on incurring further market loans), provisions regarding events of default, the abovementioned financial covenants and dividend and value transfer restrictions for the Company. The terms and conditions also contain a change of control-clause. According to the terms and conditions, a change of control occurs if a person (physical or juridical) (other than (A) SBB or any company directly or indirectly controlled by SBB and (B) any reputable, regulated or non-regulated, financial institution (including, without limitation, pension and/or investment funds) domiciled or incorporated in Sweden, Denmark, Finland or Norway which (i) is not subject to sanctions, and (ii) has an ultimate beneficial owner that is domiciled or incorporated under the laws of an OECD member state) acting in concert, (i) acquires or controls, directly or indirectly, more than 50 percent of the voting shares of the Company, or (ii) have the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of Sveafastigheter. Notwithstanding the foregoing, such events do not constitute a change of control event if they occur as a result of a successful admission to trading of the Issuer’s shares on any MTF or Regulated Market. If a change of control event would occur, a change of control put option is triggered, allowing bondholders to require Sveafastigheter to repurchase their bonds at 101 percent of the nominal amount. The bonds are listed on the Nasdaq Transfer Market (operated by Nasdaq Stockholm, and which is not a regulated market for the purposes of Directive 2014/65/EU as amended) and are intended to be listed on the corporate bond list (regulated market) of Nasdaq Stockholm within 12 months of July 5, 2024, subject to regulatory approval.

Intellectual property

Sveafastigheter is the holder of the domain name sveafastigheter.se. Sveafastigheter uses the trademark “Sveafastigheter” and the appurtenant logotype in its business. Pursuant to an assignment agreement entered into with Brunswick Real Estate AB, Reg. No. 559105-3136 (“**Brunswick**”), Brunswick has assigned all rights to the figurative trademark comprising a water lily and the word “SVEAFASTIGHETER” (registered in the EU, Sweden, Norway and the United Kingdom) to Sveafastigheter. To the extent that Brunswick has acquired any rights to the wordmark “SVEAFASTIGHETER” following its use, all such rights are also assigned to Sveafastigheter. In return, Sveafastigheter has e.g. granted Brunswick limited rights with respect to the “SVEAFASTIGHETER” trademark



(including a conditional right of first refusal) and undertaken not to oppose against Brunswick's use of one of its trademarks. Otherwise, no intellectual property rights that vest with Sveafastigheter are subjected to any pledges, limitations or other kind of liabilities. Furthermore, the Company has applied to register (i) the figurative trademark comprising the Company's logotype and the word "SVEAFASTIGHETER" and (ii) the wordmark "SVEAFASTIGHETER" with the European Union Intellectual Property Office ("EUIPO"), however, an external party has formally opposed to this application see further ("– Legal proceedings").

As far as Sveafastigheter knows and other than what is set out above, there are no violations, infringements or similar that could affect any material intellectual property, and the Company has not received any demands regarding infringement of the rights of third parties.

Legal proceedings

The Swedish Tax Agency has initiated a written proceeding regarding tax deductions of approximately SEK 89 million made by one of the Company's subsidiaries in respect of costs attributable to repair and maintenance in its 2022 income tax return. If the tax deduction is denied by the Swedish Tax Agency, it may result in additional corporate income tax payable of approximately SEK 18 million in respect of the financial year 2022. As a result, the costs are likely be deductible going forward, but rather than being deductible in full during one financial year, the costs will be added to the taxable base value of the building and deducted during the economic lifespan of the building. In addition to the tax cost added back, if the subsidiary's disclosure of the aforementioned tax deduction is not considered sufficient by the Swedish Tax Agency, tax surcharges of approximately SEK 1.8 million¹⁾ may be levied.

Furthermore, the Company has applied to register (i) the figurative trademark comprising the Company's logotype and the word "SVEAFASTIGHETER" and (ii) the wordmark "SVEAFASTIGHETER" with the EUIPO, however, an external party has formally opposed to this application. Although the Company assesses that it has sufficient existing protection for the Company's business due to, *inter alia*, the registration of its company name, Sveafastigheter AB (publ), such objection proceedings with the EUIPO could result in, Sveafastigheter being unable to register the aforementioned trademark and wordmark, either by way of entire or partial refusal, which may entail that the Company has no, or a more limited, registered protection in the EU (including Sweden) for the aforementioned trademark and wordmark (even though its existing protection would not be lost), and that the Company may have less favorable chances to defend its existing intellectual property rights for that reason going forward. The Company believes that the practical impact of a denial of its registration application would be that Sveafastigheter

would not have exclusivity to the rights for which it has applied going forward. The Company assesses that such negative outcomes are unlikely, and any such decision by the EUIPO to refuse or partially refuse the registration(s) would be appealable.

Other than what is set out above, the Group has not been part to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) that recently had or could have material effects on the Company's financial position or profitability during the last twelve months.

Insurance

The Group's insurance coverage covers insurance for risks associated with the Group's operations as property owners, which includes corporate insurance property, liability, legal expenses insurance and property insurance, property, liability, loss of rent and (iii) directors and officers liability insurance. The Group also intends to obtain prospectus liability insurance for the CEO and Board of Directors in connection with the contemplated listing on Nasdaq First North Premier Growth Market. Sveafastigheter and its advisers are of the opinion that the insurances in the Group are on a par with other companies in the same industry and that they are well adapted with regards to the risks that are normally associated with the Group's operations. However, there is no guarantee that the Group will not suffer losses that are not covered by insurance or are sufficiently covered so that an unforeseen cost does not arise.

Placing agreement

According to the terms of an agreement on placing of shares which is intended to be signed on or around October 17, 2024 between the Company, the Selling Shareholder and the Managers (the "**Placing Agreement**"), the Selling Shareholder undertakes to divest up to 38.3 percent of the shares in the Company to the purchasers indicated by the Managers, or if the Managers fail to indicate purchasers, they have undertaken to themselves acquire the shares comprised by the Offering. The Selling Shareholder also intends to grant an Overallotment Option, whereby it pledges at the request of the Managers at the latest 30 days from the first day of trading in the Company's shares to divest an additional maximum of 15 percent of the maximum total amount of shares that are included in the Offering, corresponding to approximately 5.7 percent of the total number of shares in the Company, under the assumption of full acceptance of the Offering and that the Overallotment Option is fully exercised. The Overallotment Option may only be exercised in order to cover possible overallotment within the framework of the Offering.

1) The Company assesses that the tax surcharges will likely be capped to ten percent as a consequence of the potential error being an accrual deduction.



Under the Placing Agreement, the Company and the Selling Shareholder provide customary warranties to the Managers, such as that the information in the prospectus is correct, that the prospectus and the Offering comply with relevant legal and regulatory requirements and that there are no legal or other obstacles for the Company and the Selling Shareholder to enter into the agreement or for the completion of the Offering. The Placing Agreement provides that the Managers' undertakings to procure purchasers or, in the event that the Managers fail to do so, to purchase the shares covered by the Offering are conditional on, *inter alia*, the accuracy of the warranties provided by the Company and the Selling Shareholder. Under the Placing Agreement, the Company and the Selling Shareholder, will undertake, subject to customary reservations and certain restrictions (in relation to the Selling Shareholder), to indemnify the Managers against certain claims in certain circumstances.

Through the Placing Agreement, the Selling Shareholder will undertake not to sell its holdings during the Lock-up Period, subject to customary reservations and exceptions for, *inter alia*, intra-group transfers, pledging of shares and realization of collateral made under any pledge agreement (see further the section "*Share capital and ownership structure – Lock-up arrangements*"). In accordance with the Placing Agreement, the Company will also undertake not to, *inter alia*, offer, allot, issue, sell or otherwise transfer or dispose of any of the Company's shares, or enter into transactions with a similar effect, until at least 180 days after the date of commencement of trading on Nasdaq First North Premier Growth Market. The Managers may grant exemptions from these limitations (see further the section "*Share capital and ownership structure – Lock-up arrangements*").

Stabilization

In connection with the Offering, DNB may effect transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilization transactions may be effected on Nasdaq First North Premier Growth Market, OTC-market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq First North Premier Growth Market and ending not later than 30 calendar days thereafter. DNB is, however, not required to undertake any stabilization and there is no assurance that stabilization will be undertaken.

Stabilization, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. No later than by the end of the seventh trading day after stabilization transactions have been undertaken, DNB

shall disclose that stabilization transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014. Within one week of the end of the stabilization period, DNB will make public whether or not stabilization was undertaken, the date at which stabilization started, the date at which stabilization last occurred and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out.

Commitments to acquire shares

Certain members of the Board of Directors and the Executive Management of the Company, as well as Leiv Synnes, CEO of SBB, have committed to, directly or indirectly, acquire shares in the Offering as set out below.

Commitments to acquire shares

- ▶ Peter Wågström: 20,000 shares;
- ▶ Christer Nerlich: 10,000 shares;
- ▶ Per O. Dahlstedt: SEK 150,000;
- ▶ Erik Hävermark: 20,000 shares;
- ▶ Martina Lous-Christensen: 10,000 shares;
- ▶ Ola Svensson: 10,000 shares; and
- ▶ Leiv Synnes: SEK 10,000,000 (within the SBB Priority Tranche¹⁾).

The commitments to acquire shares are not secured by any bank guarantee, blocked funds or pledge of collateral or similar arrangements.

Related party transactions

For information regarding related party transactions, please see note 29 in the section "*Historical financial information – Financial information for the financial years 2023, 2022 and 2021 – Notes*".

Since June 30, 2024, up to and including the date of the Offering Circular, the following related party transactions that can be considered significant to Sveafastigheter have been carried out:

- Outstanding loans provided by SBB have been fully repaid through (i) amortizations, (ii) the Company and SBB agreeing to set off the amounts owed by SBB for its subscription of the bonds issued by Sveafastigheter and (iii) unconditional shareholders' contributions. For more information, see section "*Legal considerations and supplementary information – Material agreements – Intra-group loans*".
- The Company and SBB entered into an interest rate swap arrangement for the Company's external debt arrangements, which is intended to be terminated prior to the listing.

1) For further information on the SBB Priority Tranche, refer to the section "*Terms and conditions*".



- The Company and SBB have entered into a property management agreement. The agreement runs until the fourth quarter of 2026, at which point the agreement may be terminated. Unless terminated the asset management agreement will be prolonged for a period of 12 months at a time. For more information, see section “*Legal considerations and supplementary information – Material agreements – Property management agreement*”.
- Prior to the Offering, the Group’s operations have been separated from the SBB group. To regulate certain outstanding separation matters related to the separation between the Company and the SBB group, the Company and SBB have entered into the Separation Agreement. For more information, see section “*Legal considerations and supplementary information – Material agreements – Separation agreement*”. During September, shares in the company Ecoclimate Group AB previously held by the Company’s subsidiary Sveafastigheter Development AB, reg. no. 556985-1271, were transferred to the Selling Shareholder. The transfer was made at market price. Ecoclimate Group AB’s shares are listed on Nasdaq First North Growth Market.

Other than that, there have been no related party transactions that, separately or jointly, can be considered significant to the Group.

Interests of advisors

The Managers provide financial advisory and other services to the Company and the Selling Shareholder in connection with the Offering, for which the Managers will receive a customary remuneration. The Managers have in the course of business, from time to time, provided, and may in the future provide, various banking, financial, investment, lending, commercial and other services to the Company and the Selling Shareholder for which the Managers have received, or may receive, remuneration.

Advokatfirman Vinge KB and Milbank LLP have acted as legal advisors in connection with the Offering and the listing. They may provide further legal advice to the Company.

Costs related to the Offering

In consideration of the Managers’ assistance in the Offering and the listing on Nasdaq First North Premier Growth Market, the Managers will, subject to certain reservations, be reimbursed by the Company for external expenses incurred by them.

Sveafastigheter’s costs associated with the Offering are expected to amount to approximately SEK 65 million.

Documents available for inspection

Sveafastigheter’s (i) Articles of Association and certificate of registration, (ii) financial reports for the 2023, 2022 and 2021 financial years including audit reports, and Valuation Reports are kept available for inspection during office hours at the Company’s head office at Olof Palmes gata 13A, SE-111 37 Stockholm, Sweden. These documents are also available in electronic form on Sveafastigheter’s website, www.sveafastigheter.se. Information on Sveafastigheter’s website is not included in the Offering Circular unless such information is incorporated by reference.

Important information on taxation

The tax legislation in the investor’s home country and in Sweden may affect any income received from shares in Sveafastigheter.

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 the information on the specific implications that may arise in an individual case, including the application and effect of foreign tax rules and tax treaties.

Certain U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences of acquiring, owning and disposing of the Company's shares. This discussion applies only to beneficial owners of the Company's shares that are "**U.S. Holders**," as defined below, that hold the Company's shares as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**U.S. Code**"). This discussion is based upon the U.S. Code, its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the U.S. Internal Revenue Service, or the IRS, and judicial decisions, all as of the date of this Offering Circular and all of which are subject to change, possibly on a retroactive basis, and to different interpretations.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular U.S. Holder and you are urged to consult your own tax advisor regarding your specific tax situation. This discussion does not address the tax consequences that may be relevant to U.S. Holders subject to special tax rules, including, for example:

- ▶ insurance companies;
- ▶ tax-exempt organizations;
- ▶ dealers in securities or currencies;
- ▶ traders in securities that elect to mark-to-market their securities holdings;
- ▶ banks or other financial institutions;
- ▶ partnerships or other pass-through entities;
- ▶ persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- ▶ U.S. expatriates;
- ▶ regulated investment companies;
- ▶ real estate investment trusts;
- ▶ "controlled foreign corporations";
- ▶ persons that hold the Company's shares as part of a hedge, straddle, conversion or other integrated transaction; or
- ▶ persons that own or have owned directly, indirectly or constructively 10% or more of the Company's shares by vote or value.

Further, this discussion does not address the alternative minimum tax consequences of holding the Company's shares or the consequences to partners in partnerships, or any other entities treated as partnerships for U.S.

federal income tax purposes, that own the Company's shares or the tax on "net investment income." In addition, this discussion does not address the application of Section 451(b) of the U.S. Code or the gift, estate, Medicare, state, local and non-U.S. tax consequences of acquiring, owning and disposing of the Company's shares.

You are a "U.S. Holder" if you are a beneficial owner of the Company's shares and you are for U.S. federal income tax purposes:

- ▶ an individual who is a citizen or resident of the United States;
- ▶ a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- ▶ an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- ▶ a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has an election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity taxable as a partnership for U.S. federal income tax purposes) holds the Company's shares, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership considering the purchase, ownership or disposition of the Company's shares should consult its own independent tax advisor.

Except where otherwise noted, this discussion assumes that, and we believe that, we are not, and will not become, a PFIC, as described below.

Distribution on Shares

Distributions made by us of cash or property with respect to the Company's shares, including amounts withheld to pay Swedish tax, generally will be treated as dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. A U.S. Holder of the Company's shares generally will be taxed on such dividends as ordinary dividend income. Distributions in excess of our current or accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing such U.S. Holder's adjusted tax basis in the Company's shares, i.e., the initial cost of the Company's shares to the U.S. Holder as reduced by any such previous distribution in excess of our current or accumulated earnings and profits with respect to such



shares, and thereafter will be either long-term or short-term capital gain depending upon whether the U.S. Holder held the Company's shares for more than one year. Because we do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect that the entire amount of a distribution generally will be treated as a dividend for U.S. federal income tax purposes. As used below, the term "dividend" means a distribution that constitutes a dividend for U.S. federal income tax purposes.

A dividend will be included in a U.S. Holder's income on the date of the U.S. Holder's actual or constructive receipt of the dividend. Dividends paid by us will not be eligible for the dividends received deduction provided under the U.S. Code for certain U.S. corporate shareholders. With respect to non-corporate U.S. shareholders, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the United States Treasury Department determines to be satisfactory for these purposes and which includes an exchange of information provision. The United States Treasury Department has determined that the income tax treaty in place between the United States and Sweden (the "**Treaty**") meets these requirements. However, the Company's ability to claim the benefits of the Treaty is subject to satisfying a number of requirements, some of which may be outside of the Company's control, which is uncertain or be difficult to verify if the shares are traded and held in a clearing system. Non-corporate shareholders that do not meet a minimum holding period requirement during which they are not protected from a risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the U.S. Code will not be eligible for the reduced rates of taxation in any event. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met.

Dividends received with respect to the Company's shares will be treated as foreign source income for purposes of determining a U.S. Holder's U.S. foreign tax credit limitation. A U.S. Holder may be entitled, subject to a number of complex limitations and conditions, including a minimum holding period requirement, to claim a U.S. foreign tax credit in respect of any Swedish income taxes withheld on dividends received on the Company's shares. For purposes of the U.S. foreign tax credit limitation, foreign source income is separated into different "baskets," and the credit for foreign taxes on income in any basket is limited to the U.S. federal income tax allocable to such income. The dividends we pay should generally constitute "passive category income."

U.S. Holders who do not elect to claim a credit for any otherwise creditable foreign income taxes paid during the taxable year may instead claim a deduction in respect of such Swedish income taxes, provided that the U.S. Holder elects to deduct (rather than credit) all foreign taxes paid or accrued for the taxable year. The rules relating to computing foreign tax credits or deducting foreign taxes are complex, and U.S. Holders are urged to consult their own tax advisors regarding the availability of foreign tax credits or deductions with respect to any Swedish income taxes withheld from distributions on the Company's shares. Treasury Regulations impose requirements that must be met for a foreign tax to be creditable, including requirements that the withholding tax constitutes a "covered withholding tax" imposed on nonresidents in lieu of a generally applicable tax that satisfies the regulatory definition of an "income tax," which may be unclear or difficult to determine. IRS notices provide temporary relief from certain of these requirements if the notice is applied consistently to all foreign taxes paid during the relevant taxable year until the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance).

The amount of any dividend paid in SEK will equal the U.S. dollar value of the dividend, calculated by reference to the exchange rate in effect at the time the dividend is actually or constructively received by the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. A U.S. Holder should not recognize any foreign currency gain or loss in respect of such dividend if such SEK are converted into U.S. dollars on the date received by the U.S. Holder. If the SEK are not converted into U.S. dollars on the date of receipt, however, gain or loss may be recognized upon a subsequent sale or other disposition of the SEK. Such foreign currency gain or loss, if any, will be U.S. source ordinary income or loss. U.S. Holders should consult with their own tax advisors regarding the treatment of any foreign currency gain or loss if any SEK received as a dividend on the Company's shares is not converted into U.S. dollars on the date of receipt.

Sale, Exchange or Other Taxable Disposition of Shares

A U.S. Holder generally will recognize capital gain or loss upon the sale, exchange or other taxable disposition of the Company's shares measured by the difference between the amount realized on the sale, exchange or other taxable disposition of the Company's shares and the U.S. Holder's adjusted tax basis in the shares. Any such gain or loss will be a long-term capital gain or loss if the Company's shares have been held for more than one year. Non-corporate U.S. Holders, including individuals, may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the U.S. Code.



If Swedish income tax is withheld on the sale or other disposition of the Company's shares, the amount realized by a U.S. Holder will include the gross amount of the proceeds of that sale or other disposition before deduction of Swedish income tax. A capital gain or loss, if any, realized by a U.S. Holder on the sale, exchange or other taxable disposition of the Company's shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. Treasury Regulations impose requirements that must be met for a foreign tax to be creditable, including requirements that the withholding tax constitutes a "covered withholding tax" imposed on nonresidents in lieu of a generally applicable tax that satisfies the regulatory definition of an "income tax," which may be unclear or difficult to determine. IRS notices provide temporary relief from certain of these requirements if the notice is applied consistently to all foreign taxes paid during the relevant taxable year until the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Even if such tax were considered creditable in principle for this purpose, in the case of a gain from the disposition of a share that is subject to Swedish income tax (see "*Legal considerations and supplementary information – Important information on taxation*"), the U.S. Holder may not be able to benefit from the foreign tax credit for that Swedish income tax (i.e., because the gain from the disposition would be U.S. source), unless the U.S. Holder has sufficient other income from foreign sources in the relevant foreign tax credit basket. Alternatively, the U.S. Holder may take a deduction for the Swedish income tax if it does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued during the taxable year.

If you are a U.S. Holder, the initial tax basis of your shares will be the U.S. dollar value of the SEK denominated purchase price determined on the date of purchase. If the shares are treated as traded on an "established securities market," a cash method U.S. Holder, or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of the cost of such shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. With respect to the sale or exchange of the Company's shares for SEK or any other foreign currency, the amount realized generally will be the U.S. dollar value of the payment received determined on (i) the date of receipt of payment in the case of a cash basis U.S. Holder and (ii) the date of disposition in the case of an accrual basis U.S. Holder. If the Company's shares are treated as traded on an "established securities market," a cash method U.S. Holder, or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the disposition. If a U.S. Holder sells or otherwise disposes of the Company's shares in exchange for SEK or any other foreign currency, any gain or loss that results

from currency exchange fluctuations during the period from the receipt of the currency until the date that the currency is converted into U.S. dollars (or otherwise disposed of) generally will be treated as U.S. source ordinary income or loss. U.S. Holders should consult their tax advisers as to the U.S. federal income tax consequences of the receipt of SEK or any other foreign currency on the sale or other disposition of the Company's shares.

Passive Foreign Investment Company Rules

A non-U.S. corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income is "passive income" under the PFIC rules or (ii) 50% or more of the average value of its assets (generally determined on a quarterly basis) is attributable to assets that produce, or are held for the production of, "passive income." For this purpose, "passive income" generally includes interest, dividends, rents, royalties and certain gains, subject to certain exceptions. Relevant factors include the extent to which we hold cash or cash equivalents, or properties that do not generate income, and the relative values of our "active" and "passive" assets. All such items may vary from time to time. If a non-U.S. corporation owns, directly or indirectly, at least 25%, by value, of the shares of another corporation, it will be treated for purposes of these tests as if it holds directly its proportionate share of the gross assets and receives directly its proportionate share of the gross income of such other corporation.

The determination as to whether a non-U.S. corporation is a PFIC is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, the composition of the income, expenses and assets of the non-U.S. corporation from time to time and the nature of the activities performed by its officers and employees, in particular with respect to property that generates rental income. For this reason, while we do not presently expect to be a PFIC for the current taxable year or the foreseeable future, there can be no assurance that the nature of our business activities or the composition of our income and assets will not change, or that the IRS will not reach a contrary conclusion. You are urged to consult your tax advisers regarding the risks associated in investing in a company that may be a PFIC. Further, the PFIC tests must be applied every year, and it is possible that we may become a PFIC in a future taxable year if the nature and extent of our activities were to change, or if the composition of our income and assets change in any material respect. In addition, our actual PFIC status for any taxable year is not determinable until after the end of such taxable year, and we do not intend to decide as to our PFIC status for any future taxable year. Because of these uncertainties, it is possible that we may be a PFIC for the current or any other taxable year.

If we are a PFIC for any taxable year during which a U.S. Holder holds the Company's shares and any of our non-U.S. subsidiaries is also a PFIC, the U.S. Holder will be



treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of the PFIC rules.

In general, if we are a PFIC for any taxable year during which a U.S. Holder holds (or, as discussed in the previous paragraph, is deemed to hold) shares, gain recognized by the U.S. Holder on a sale or other disposition (including, under certain circumstances, a pledge) of the Company's shares would be allocated ratably over the U.S. Holder's holding period of the Company's shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for such other taxable year and an interest charge would be imposed on the tax attributable to the allocated amounts. Further, any distributions in respect of the Company's shares to the extent they exceed 125% of the average of the annual distributions on the Company's shares received by the U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter (excess distributions), would be subject to taxation as described above. Dividends by and dispositions of lower-tier PFICs would also potentially be taxable to a U.S. Holder that was deemed to hold shares in the lower-tier PFIC (as discussed in the previous paragraph) under these rules. These rules would apply to a U.S. Holder that held shares during any year in which we were a PFIC, even if we were not a PFIC in the year in which the U.S. Holder sold, or received an excess distribution in respect of, its shares.

If we are a PFIC for any taxable year during which a U.S. Holder owns the Company's shares, we will generally continue to be a PFIC with respect to such shares even if we ceased to be a PFIC for subsequent taxable years.

Certain elections may mitigate the adverse U.S. federal income tax consequences of owning shares of a PFIC. In particular, a U.S. Holder generally may make a mark-to-market election with respect to shares of "marketable stock" of a PFIC. If a U.S. Holder made a mark-to-market election with respect to the Company's shares, such holder would generally include as ordinary income or loss the difference between the fair market value of its shares at the end of the taxable year and its adjusted tax basis of the shares (but loss could only be included to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's tax basis in the Company's shares would be adjusted to reflect any such income or loss amounts. Any gain recognized on the sale or other disposition of the Company's shares in a year that we are a PFIC would be treated as ordinary income, and any loss would be treated as ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election. Under the U.S. Code and applicable U.S. Treasury regulations, the term "marketable stock"

includes stock of a PFIC that is "regularly traded" on a "qualified exchange or other market."

The Company's shares will be treated as listed on a "qualified exchange or other market" if the exchange on which they are listed has sufficient trading volume, listing and financial disclosure, is regulated or supervised by a governmental authority of the country in which the market is located and meets certain other requirements. It is unclear whether the Nasdaq First North Premier Growth Market would meet the requirements for a "qualified exchange or other market" and whether there would be sufficient trading of the Company's shares for them to be characterized as "regularly traded." Therefore, no assurance can be provided that a U.S. Holder would be able to elect mark-to-market treatment for the Company's shares. U.S. Holders are urged to consult their tax advisors about the availability of the mark-to-market election, and whether making the election would be advisable in light of their particular circumstances.

Because the mark-to-market election applies only to marketable stock, whether or not the Company's shares are treated as listed on a "qualified exchange or other market," a mark-to-market election under current law is likely to be unavailable with respect to any lower-tier PFIC. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of our subsidiaries.

A "qualified electing fund" election would not be available to U.S. Holders of the Company's shares because we do not intend to provide the necessary information to allow U.S. Holders to make such an election.

If we were a PFIC, a U.S. Holder would generally be required to attach a completed IRS Form 8621 to its tax return every year in which it held the Company's shares.

U.S. Holders should consult their own independent tax advisors with respect to the possibility that we may be treated as a PFIC and the tax consequences thereof, including the advisability and availability of any elections discussed above and the annual filing requirements.

Backup Withholding and Information Reporting

In general, dividends on the Company's shares, and payments of the proceeds of a sale, exchange or other taxable disposition of the Company's shares, paid within the United States or through certain U.S. connected financial intermediaries to a U.S. Holder are subject to information reporting and may be subject to backup withholding (currently at a 24% rate) unless the U.S. Holder (i) establishes that it is a corporation or other exempt recipient or (ii) with respect to backup withholding, provides an accurate taxpayer identification number and certifies that it is a U.S. person and that no loss of exemption from backup withholding has occurred.

Backup withholding is not an additional tax. The amount of any backup withholding tax from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. A



U.S. Holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed its U.S. federal income tax liability by timely filing a refund claim with the IRS.

“Specified Foreign Financial Asset” Reporting

Certain U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of U.S.\$50,000 on the last day of the taxable year or U.S. \$75,000 at any time during the taxable year are generally required to report information to the IRS with respect to their investment in such assets (which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person unless held in an account maintained by a financial institution). Investors who fail to report the required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this requirement on their investment in the Company’s shares.

FATCA

Withholding taxes may be imposed under Sections 1471 to 1474 of the U.S. Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or “**FATCA**”) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed regulations below) gross proceeds from the sale or other disposition of, the Company’s shares paid to a “foreign financial institution” or a “non-financial foreign entity” (each as defined in the U.S. Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any “substantial United States owners” (as defined in the U.S. Code) or furnishes identifying informa-

tion regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain “specified United States persons” or “United States-owned foreign entities” (each as defined in the U.S. Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on the Company’s shares. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in the Company’s shares.

THE ABOVE DISCUSSION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE ACQUISITION, OWNERSHIP OR DISPOSITION OF THE COMPANY’S SHARES. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR CONCERNING THE TAX CONSEQUENCES APPLICABLE IN YOUR PARTICULAR SITUATION.

Selling restrictions and transfer restrictions

Selling restrictions

United states

The shares in the Offering have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold except: (i) within the United States to investors reasonably believed to be qualified institutional buyers (“**QIBs**”) in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the Securities Act; or (ii) outside the United States to certain persons in compliance with Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. The Placing Agreement provides that the Managers may directly or through their respective United States broker-dealer affiliates arrange for the offer and resale of shares within the United States only to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

Any offer or sale of shares in the Offering in the United States will be made or intermediated by broker-dealers who are registered as such under the U.S. Securities Exchange Act of 1934. In addition, until 40 days after the commencement of the Offering, an offer or sale of shares in the Offering within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the 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 Securities Act and in connection with any applicable state securities laws. The terms used above have the meanings given to them by Regulation S and Rule 144A.

European Economic Area

In relation to each Member State of the European Economic Area (with the exception of Sweden) (each a “**Relevant State**”), no shares in the Offering have been offered or will be offered to the public in that Relevant State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Regulation:

- ▶ to any legal entity that is a qualified investor as defined in the Prospectus Regulation;
- ▶ to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Managers for any such offer; or
- ▶ in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Selling Shareholder or any Manager of an Offering Circular pursuant to Article 3 of the Prospectus Regulation or of a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “offered to the public” in relation to any shares in the Offering in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase or subscribe for any shares in the Offering.

Each person in a Relevant State who receives any communication in respect of, or who acquires any shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Managers that it is a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation.

The Company, the Selling Shareholder, the Managers and their affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

United Kingdom

In relation to the United Kingdom, no shares in the Offering have been offered or will be offered to the public in the United Kingdom, except that the shares may be offered to the public in the United Kingdom at any time:

- ▶ to any legal entity which is a qualified investor as defined under Article 2 of the UK version of commission delegated regulation (EU) 2017/1129 of the European Parliament and of the Council which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**UK Prospectus Regulation**”);
- ▶ to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Managers for any such offer; or
- ▶ in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000.

Each person in the United Kingdom who acquire any shares in the Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholder and the Managers that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any shares in the Offering being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented,



acknowledged and agreed to and with the Company, the Selling Shareholder and the Managers that the shares acquired by it in the Offering have not been acquired for on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the Managers has been obtained to each such proposed offer or resale. Neither the Company, the Selling Shareholder nor the Managers have authorised, nor do they authorise, the making of any offer of shares in the Offering through any financial intermediary, other than offers made by the Managers which constitute the final placement of shares contemplated in this Offering Circular.

The Company, the Selling Shareholder, the Managers and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to the shares in the Offering in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offering and any shares to be offered so as to enable an investor to decide to acquire any shares in the Offering.

General

No action has been or will be taken in any country or jurisdiction other than Sweden that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Company and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense. None of the Company or the Managers accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the shares in the Offering, of any such restrictions.

Transfer restrictions

No action has been or will be taken in any country or jurisdiction other than Sweden by it that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Offering Circular comes are required by the Company and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense.

The shares in the Offering have not been and will not be registered under the Securities Act and the shares in the Offering may not be offered or sold, directly or indirectly, within or into the United States or to, or for the account or benefit of, United States persons except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each purchaser of the shares in the Offering outside the United States purchasing in compliance with Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Offering Circular and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser is authorised to consummate the purchase of the shares in the Offering in compliance with all applicable laws and regulations;
- the purchaser acknowledges that the shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;
- the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the shares in the Offering, was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such shares was originated, and continues to be located outside the United States and has not purchased such shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the shares or any economic interest therein to any person in the United States;
- the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;
- the shares in the Offering have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;
- if the purchaser is acquiring any of the shares in the Offering as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
- the Company will not recognise any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions; and
- the purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and the Company, the Managers and their respective affiliates and advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.



Each purchaser of the shares in the Offering within the United States purchasing pursuant to Rule 144A or another exemption from the registration requirements of the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Offering Circular and such other information as it deems necessary to make an informed investment decision and that:

- (a) the purchaser is authorised to consummate the purchase of the shares in the Offering in compliance with all applicable laws and regulations;
- (b) the purchaser acknowledges that the shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, are subject to significant restrictions on transfer 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 Securities Act;
- (c) the purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and (iii) is acquiring such shares in the Offering 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 to the shares, as the case may be;
- (d) the purchaser is aware that the shares in the Offering are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;
- (e) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such shares in the Offering, or any economic interest therein, as the case may be, such shares in the Offering or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in accordance with Regulation S, (iii) in accordance with Rule 144 under the Securities Act (if available), (iv) pursuant to any other exemption from the registration requirements of the Securities Act, subject to receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States and any other jurisdiction;
- (f) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the shares from the Company or an affiliate thereof in the initial distribution of such shares;
- (g) the shares in the Offering are “restricted securities” within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of any shares in the Offering;
- (h) the purchaser will not deposit or cause to be deposited any shares in the Offering into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such shares in the Offering are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;
- (i) if the purchaser is acquiring any of the shares in the Offering as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
- (j) the Company will not recognise any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions;
- (k) the purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and the Company, the Managers and their respective affiliates and advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements; and
- (l) the purchaser either (i) is not, and is not acting on behalf of, an employee benefit plan, as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that is subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, a plan to which Section 4975 of the U.S. Code, applies, or an entity whose underlying assets include plan assets by reason of such an employee benefit plan’s or plan’s investment in such entity (a “Benefit Plan Investor”) or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of section 406 of ERISA and/or section 4975 of the U.S. Code (“Other Plan Law”), and no part of the assets to be used by it to acquire or hold the shares in the Offering or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (ii) its acquisition of the shares in the Offering (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Code, or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Other Plan Law.

Definitions and glossary



| | |
|---|---|
| Brunswick | Brunswick Real Estate AB, Reg. No. 559105-3136 |
| Code | the Swedish Code of Corporate Governance |
| Danske Bank | Danske Bank A/S, Danmark, Sverige Filial |
| DNB | DNB Bank ASA, filial Sverige |
| EPBD | the Energy Performance of Buildings Directive |
| ESG | environmental, social and corporate governance |
| EUIPO | European Union Intellectual Property Office |
| EUR | Euro |
| Euroclear Sweden | Euroclear Sweden AB |
| GDPR | The General Data Protection Regulation (the Regulation (EU) 2016/679 of the European Parliament and of the Council) |
| Hemvist | Hemvist Förvaltning AB, Reg. No. 559305-4934 |
| Hemvist Companies | Hemvist Focken 1 & 2 AB, Hemvist i Jordbro AB, Hemvist Järinge 2 AB, Hemvist Neptun 1 AB, Hemvist Nykvarn Kaffebryggaren 1 AB, Hemvist Ströpsta AB, Hemvist Vårholmen 6 AB, Hemvist Västerås Hydran 2 AB, Hemvist Västerås Najaden 2 AB, Sveafastigheter Bostad Gamla Landsvägen AB and Hemvist Västerås Najaden 3 AB |
| IMY | the Swedish Authority for Privacy Protection (Sw. <i>Integritetsskyddsmyndigheten</i>) |
| Independent Valuers | the independent expert valuers Newsec Advisory Sweden AB and Savills Sweden AB |
| ISK | investment savings account |
| Joint Global Coordinators | SEB and DNB |
| Kåpan Pensioner | Kåpan Tjänstepension, Reg. No. 816400-4114 |
| Lock-up Period | a certain period after trading on Nasdaq First North Premier Growth Market has commenced, where the Selling Shareholder, some shareholding members of the Board of Directors and some shareholding employees of the Group, including the Executive Managers, will undertake, with certain exceptions, not to sell their respective holdings |
| LTV | loan-to-value ratio |
| Managers or Joint Bookrunners | the Joint Global Coordinators and Danske Bank, Nordea and Swedbank |
| Nasdaq First North Premier Growth Market | Nasdaq First North Premier Growth Market, an alternative marketplace operated by the various exchanges in Nasdaq |
| Nordea | Nordea Bank Abp, filial i Sverige |
| Offering | the offer of shares as set out in the Offering Circular |
| Offering Circular | this Offering Circular |
| Offering Price | final price per share in the Offering |
| Overallotment Option | an option issued by the Selling Shareholder to the Managers, which can be utilized in whole or in part by the Managers, that during 30 days from the first day of trading in the shares on Nasdaq First North Premier Growth Market, to acquire additional existing shares from the Selling Shareholder, equal to 15 percent of the maximum total number of shares encompassed by the Offering, at the Offering Price, to cover any overallotment in connection with the Offering |



| | |
|---|--|
| Placing Agreement | the agreement regarding placing of shares described in section “ <i>Legal considerations and supplementary information – Placing agreement</i> ” |
| Price Range | the price range of SEK 39.5-45.5 per share within which the Offering Price is expected to be set |
| Prospectus Regulation | the Regulation (EU) 2017/1129 of the European Parliament and of the Council |
| SBB or Samhällsbyggnadsbolaget i Norden AB | Samhällsbyggnadsbolaget i Norden AB (publ), Reg. No. 556981-7660, the parent company of the Selling Shareholder and the Company |
| SEB | Skandinaviska Enskilda Banken AB |
| SEK | Swedish krona |
| SFSA | Swedish Financial Supervisory Authority (Sw. <i>Finansinspektionen</i>) |
| SBB Priority Tranche | a priority to acquire, subject to restrictions that may arise from applicable securities laws, shares in the Offering granted to existing shareholders of SBB on the record date of September 27, 2024 |
| Securities Act | the U.S. Securities Act of 1933, as amended |
| Selling Shareholder | SBB i Norden AB, Reg. No. 559053-5174, a wholly owned subsidiary to Samhällsbyggnadsbolaget i Norden AB (publ) |
| Separation Agreement | the agreement regulating certain outstanding separation matters related to the separation between the Company and the SBB group |
| Stand-alone Sveafastigheter | Certain stand-alone adjustments for Sveafastigheter, based on Sveafastigheter’s (i) unaudited pro forma income statements for the financial year ended December 31, 2023 and the six-month period ended June 30, 2024 and (ii) combined financial statement for the period January 1, 2023 – June 30, 2023 included in the Company’s unaudited interim consolidated financial statement for the six months ended June 30, 2024 |
| Sveafastigheter, the Company or the Group | Sveafastigheter AB (publ), the group in which Sveafastigheter AB (publ) is the parent company or a subsidiary of the group, as the context may require |
| Swedbank | Swedbank AB (publ) |
| Swedish Prospectus | the Swedish language version of the Offering Circular |
| USD | US dollars |
| Valuation Reports | the valuation reports concerning the Company's property portfolio, which have been incorporated in the Offering Circular |



Historical financial information

Financial information for the period January–June 2024

| | |
|--|-----|
| Consolidated income statement | F-2 |
| Consolidated statement of comprehensive income | F-2 |
| Consolidated balance sheet | F-3 |
| Consolidated statement of changes in equity | F-4 |
| Consolidated cash flow statement | F-5 |
| Notes | F-6 |
| Auditors' review report on the interim financial information | F-8 |

Financial information for the financial years 2023, 2022 and 2021

| | |
|---|------|
| Combined income statement | F-9 |
| Combined statement of comprehensive income | F-9 |
| Combined balance sheet | F-10 |
| Combined statement of changes in equity | F-11 |
| Combined cash flow statement | F-12 |
| Notes | F-13 |
| Auditors' reports on combined financial information | F-35 |



Financial information for the period January–June 2024

Consolidated income statement

| SEK million | Note | January 2024 – June 2024 | January 2023 – June 2023 |
|---|------|--------------------------|--------------------------|
| Rental income | | 652 | 542 |
| Property expenses | | | |
| Operating expenses | | -220 | -177 |
| Maintenance | | -29 | -39 |
| Property tax | | -10 | -10 |
| Total property expenses | | -260 | -226 |
| Net operating result | | 392 | 317 |
| Other income from property management | | 35 | 16 |
| Administration | | -150 | -81 |
| Result before financial items and unrealized changes in property value | | 277 | 252 |
| Change in value of investment properties | | -1,116 | -3,266 |
| Write-down of goodwill | | -0 | -24 |
| Operating income | | -839 | -3,038 |
| Result from joint ventures and associated companies | | 95 | -138 |
| Interest income and similar profit/loss items | | 2 | 51 |
| Interest expenses and similar profit/loss items | | -286 | -270 |
| Land lease agreements | | -1 | -1 |
| Change in value of financial instruments | | -22 | -62 |
| Profit/loss before tax | | -1,051 | -3,458 |
| Current tax | | -32 | -7 |
| Deferred tax | | 41 | 259 |
| PROFIT/LOSS FOR THE PERIOD | | -1,042 | -3,206 |
| <i>The result of the period attributable to:</i> | | | |
| The shareholders of the parent entity | | -1,042 | -3,206 |
| PROFIT/LOSS FOR THE PERIOD | | -1,042 | -3,206 |

Consolidated statement of comprehensive income

| SEK million | Note | January 2024 – June 2024 | January 2023 – June 2023 |
|--|------|--------------------------|--------------------------|
| Profit/loss for the period | | -1,042 | -3,206 |
| Items that may be reclassified to the result of the period | | - | - |
| COMPREHENSIVE INCOME FOR THE PERIOD | | -1,042 | -3,206 |
| <i>attributable to:</i> | | | |
| The shareholders of the parent entity | | -1,042 | -3,206 |
| COMPREHENSIVE INCOME FOR THE PERIOD | | -1,042 | -3,206 |



Consolidated balance sheet

| SEK million | Note | January 2024 – June 2024 | January 2023 – June 2023 |
|--|------|--------------------------|--------------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible fixed assets | | | |
| Goodwill | | 77 | 77 |
| Total intangible assets | | 77 | 77 |
| Tangible fixed assets | | | |
| Investment properties | | 27,525 | 25,410 |
| Land lease agreements | | 253 | 54 |
| Equipment, tools and installations | | 2 | 1 |
| Total tangible fixed assets | | 27,780 | 25,465 |
| Financial assets | | | |
| Shares in joint ventures and associated companies | | – | 1,798 |
| Receivables on joint ventures and associated companies | | – | 2 |
| Derivatives | | 1 | 4 |
| Financial assets valued at real value | | 12 | 29 |
| Other long-term receivables | | 25 | 25 |
| Total financial assets | | 37 | 1,858 |
| Total non-current assets | | 27,894 | 27,400 |
| Current assets | | | |
| Property held for resale | | 102 | 13 |
| Rental receivables | | 9 | 19 |
| Short term receivable, shareholder | | – | 2,921 |
| Other receivables | | 75 | 501 |
| Prepaid expenses and accrued income | | 65 | 44 |
| Cash and cash equivalents | | 916 | 3,104 |
| Total current assets | | 1,167 | 6,602 |
| TOTAL ASSETS | | 29,060 | 34,002 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 1 | – |
| Retained earnings | | 15,635 | 14,620 |
| Comprehensive income for the period | | –1,042 | –3,206 |
| Total equity | | 14,594 | 11,414 |
| Non-current liabilities | | | |
| Liabilities to credit institutions | | 9,086 | 7,713 |
| Deferred tax liabilities | | 982 | 1,452 |
| Debt related to site leasehold rights | | 253 | 54 |
| Non-current liabilities to owners | | 2,659 | 7,087 |
| Other long term debt | | 1 | 227 |
| Total non-current liabilities | | 12,981 | 16,533 |
| Current liabilities | | | |
| Liabilities to credit institutions | | 1,079 | 709 |
| Trade payables | | 45 | 91 |
| Current tax debt | | 37 | 21 |
| Short term liabilities, shareholder | | – | 2,465 |
| Other liabilities | | 83 | 2,642 |
| Accrued liabilities and deferred income | | 241 | 127 |
| Total current liabilities | | 1,486 | 6,055 |
| TOTAL EQUITY AND LIABILITIES | | 29,060 | 34,002 |

**Consolidated statement of changes in equity**

| SEK million | Share capital | Retained earnings | Total equity |
|--|---------------|-------------------|---------------|
| Equity, opening balance 2023-01-01 | - | 15,047 | 15,047 |
| Profit/loss for the period | - | -3,206 | -3,206 |
| Other comprehensive income | - | - | - |
| Comprehensive income for the period | - | -3,206 | -3,206 |
| Transactions with owners, SBB group | - | -427 | -427 |
| Equity, closing balance 2023-06-30 | - | 11,414 | 11,414 |
| Equity, opening balance 2023-07-01 | - | 11,414 | 11,414 |
| Profit/loss for the period | - | -1,178 | -1,178 |
| Other comprehensive income | - | - | - |
| Comprehensive income for the period | - | -1,178 | -1,178 |
| Creation of parent company | 0 | - | 0 |
| Shareholders contribution | - | 10 | 10 |
| Transactions with owners, SBB group | - | 2,959 | 2,959 |
| Equity, closing balance 2023-12-31 | - | 13,205 | 13,205 |
| Equity, opening balance 2024-01-01 | - | 13,205 | 13,205 |
| Profit/loss for the period | - | -1,042 | -1,042 |
| Other comprehensive income | - | - | - |
| Comprehensive income for the period | - | -1,042 | -1,042 |
| New share issue | 1 | - | 1 |
| Shareholders contribution | - | 15,994 | 15,994 |
| Transactions with owners, SBB group | - | -13,565 | -13,565 |
| Equity, closing balance 2024-06-30 | 1 | 14,593 | 14,594 |

The parent company was registered on September 21, 2023. As of December 31, 2023, the share capital amounted to SEK 25,000.



Consolidated cash flow statement

| SEK million | January 2024 – June 2024 | January 2023 – June 2023 |
|---|--------------------------|--------------------------|
| Operating activities | | |
| Profit/loss before tax | -1,051 | -3,458 |
| <i>Adjustments for non-cash items</i> | | |
| Depreciation | 0 | -1 |
| Change in value of investment properties | 1,116 | 3,266 |
| Result from joint ventures and associated companies | 17 | 138 |
| Change in value of financial instruments | 23 | 62 |
| Adjustment for other non-cash items | 10 | 12 |
| Paid tax | -25 | -7 |
| Cash flow from operating activities before changes in operating capital | 90 | 12 |
| Cash flow from changes in operating capital | | |
| Change in trade receivables | 258 | -212 |
| Change in other operating liabilities | -50 | -219 |
| Cash flow from operating activities | 298 | -419 |
| Investing activities | | |
| Investments in property | -210 | -639 |
| Divestments of property | - | 20 |
| Acquisition of investment property and subsidiaries less acquired liquid assets | -285 | -988 |
| Investment/divestment of equipment | -1 | 48 |
| Investment/divestment of associated companies and joint ventures | - | 5 |
| Cash flow from investment activities | -496 | -1,554 |
| Financing activities | | |
| New share issue | 0 | - |
| Transactions with owners | 491 | 2,936 |
| Change in long term liability | - | -118 |
| New loans | 1,915 | - |
| Amortization of loans | -1,606 | -653 |
| Cash flow from financing activities | 800 | 2,165 |
| Cash flow for the period | 603 | 192 |
| Cash and cash equivalents at the beginning of the period | 316 | 2,913 |
| Cash and cash equivalents at the end of the period | 916 | 3,104 |



Notes

Note 1 Other information

General information

Sveafastigheter AB (publ) ("Sveafastigheter", "the Group", "the Company"), Reg. No. 559449-4329, with its subsidiaries, conducts business within property management and property development. The company was formed on the August 29, 2023 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the September 21, 2023. The Group was established on June 28, 2024 when all the subsidiaries were acquired from related companies. The parent company is a limited liability company registered in Sweden and has its registered office in Stockholm.

Accounting principles

This report has been prepared in accordance with IAS 34 Interim Financial Reporting. In addition, the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and "RFR1 Supplementary Accounting Rules for Groups" have been applied. In connection with the formation of the Group, the parent company has transitioned to "RFR 2 Accounting for Legal Entities". The transition to RFR 2 had no effects. The parent company applies the same accounting principles as the Group with the exceptions and additions stated in RFR 2.

The financial statements in this report for periods prior to the Group's formation consist of combined financial statements. For the interim period the financial statements are reported on a consolidated basis in accordance with IFRS 10 Business Combinations as the Group was established as per the balance sheet date June 30, 2024.

Risks and uncertainties

Sveafastigheter's operations, results and position are impacted by a number of risks and uncertainties. These risks and uncertainties primarily relate to the value of the properties, property development projects, taxes and financing. The company works actively to identify and manage the risks and opportunities that are of particular significance for the business. In summary, the above risks are managed as follows.

lopment projects, taxes and financing. The company works actively to identify and manage the risks and opportunities that are of particular significance for the business. In summary, the above risks are managed as follows.

Value of the properties

Sveafastigheter manages and refines properties in growth municipalities with high demand for housing. This generates high occupancy rate and combined with a robust letting policy, high standards in the existing portfolio leading to safer and more predictable cash flows and to reduced risk of declining values.

Property development projects

The organization's long experience of property development projects, along with good insight into the future urban development of the immediate area around the property projects and limited project risk, contribute to reducing uncertainties and risks in the property development segment.

Financing

The financing risk is managed via the financial policy and means that the Group strives to have good diversification as regards the maturity structure of loans, borrowing forms and lenders, as well as having good anticipation of refinancing and well-balanced liquidity reserves. Considering that the Group's current financing package was completed in June 2024, the financing risk is further reduced.

Tax

The group has procedures and processes in place to ensure compliance and to stay updated on the development of laws, practices, and court decisions regarding tax. Tax expertise is consulted to guarantee this.

Note 2 Segment reporting

January 2024 – June 2024

| SEK million | Property management | Construction | Intra-group items and eliminations | Group total |
|---|---------------------|--------------|------------------------------------|---------------|
| Rental income | 652 | 0 | – | 652 |
| Property expenses | –260 | 0 | – | –259 |
| Net operating result | 392 | 0 | – | 393 |
| Other management income | – | – | 35 | 35 |
| Administration | – | – | –150 | –150 |
| Result before financial items and unrealized changes in property value | 392 | 0 | –115 | 277 |
| Unrealized change in value of investment properties | –408 | –708 | – | –1,116 |
| Operating income | –16 | –708 | –115 | –839 |
| Result from joint ventures and associated companies | – | – | 95 | 95 |
| Interest income and similar profit/loss items | – | – | 2 | 2 |
| Interest expenses and similar profit/loss items | – | – | –286 | –286 |
| Land lease agreements | – | – | –1 | –1 |
| Unrealized change in value of financial instruments | – | – | –22 | –22 |
| Profit/loss before tax | –16 | –708 | –327 | –1,050 |
| Current tax | – | – | – | –32 |
| Deferred tax | – | – | – | 41 |
| PROFIT/LOSS FOR THE PERIOD | –16 | –708 | –327 | –1,042 |
| Market value of investment property | 24,300 | 3,225 | – | 27,525 |



Note 2 Segment reporting cont.

| SEK million | January 2023 – June 2023 | | | |
|---|--------------------------|--------------|------------------------------------|---------------|
| | Property management | Construction | Intra-group items and eliminations | Group total |
| Rental income | 538 | 4 | – | 542 |
| Property expenses | –225 | –1 | – | –226 |
| Net operating result | 314 | 3 | – | 317 |
| Other management income | – | – | 16 | 16 |
| Administration | – | – | –81 | –81 |
| Result before financial items and unrealized changes in property value | 314 | 3 | –65 | 252 |
| Unrealized change in value of investment properties | –3,272 | 6 | – | –3,266 |
| Write down of goodwill | – | – | –24 | –24 |
| Operating income | –2,959 | 9 | –89 | –3,038 |
| Result from joint ventures and associated companies | – | – | –138 | –138 |
| Interest income and similar profit/loss items | – | – | 51 | 51 |
| Interest expenses and similar profit/loss items | – | – | –270 | –270 |
| Land lease agreements | – | – | –1 | –1 |
| Unrealized change in value of financial instruments | – | – | –62 | –62 |
| Profit/loss before tax | –2,959 | 9 | –509 | –3,458 |
| Current tax | – | – | –7 | –7 |
| Deferred tax | – | – | 259 | 259 |
| PROFIT/LOSS FOR THE PERIOD | –2,959 | 9 | –257 | –3,206 |
| Market value of investment property | 25,007 | 402 | – | 25,410 |

Note 3 Significant events after the end of the quarter

Following the end of the interim period, Sveafastigheter established itself on the bond market by issuing SEK 1,672 million with settlement after the end of the quarter. The bond provides a diversification of capital sources and the potential for lower risk and cost in future capital raising.

As of June 30, 2024, the Group has outstanding loans to SBB amounting to MSEK 2,659, of which SEK 1,786 million was formalized through a loan agreement entered into between Sveafastigheter and SBB on July 1, 2024 (entailing that no new debt was incurred). After June 30, 2024, the outstanding debt has been fully repaid through (i) amortizations and (ii) the Company and SBB agreeing to set off the amounts owed by SBB for its subscription of the bonds issued by Sveafastigheter and (iii) unconditional shareholders' contributions. Any further potential outstanding amount of debt between the Company and SBB is intended to be repaid in full prior to, or in connection with, the listing.

Following the listing, Sveafastigheter's financing arrangements will consist of bank loan of SEK 10,176 million (with an unutilized credit facility of SEK 1,000 million) with Nordic commercial banks, of which some credit agreements are conditional upon the listing occurring.



Auditors' review report on the interim financial information



Auditors' review report

To the Board of Directors of Sveafastigheter AB (publ), corporate identity number 559449-4329

Introduction

We have reviewed the consolidated interim financial information on pages F-1 – F-7 of Sveafastigheter AB (publ) as of 30 June 2024 and for the six-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*." A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information is not prepared, in all material aspects, in accordance with IAS 34.

Stockholm, 7 October 2024

Ernst & Young AB

Jonas Svensson

Authorized Public Accountant



Financial information for the financial years 2023, 2022 and 2021

Combined income statement

| SEK million | Note | 2023-01-01 2023-12-31 | 2022-01-01 2022-12-31 | 2021-01-01 2021-12-31 |
|--|--------------|--------------------------|--------------------------|--------------------------|
| Rental income | Note 3, 4 | 1,126 | 1,002 | 628 |
| Property expenses | Note 6, 7, 8 | | | |
| Operating expenses | | -342 | -325 | -218 |
| Maintenance | | -80 | -60 | -47 |
| Property tax | | -20 | -21 | -12 |
| Total property expenses | | -441 | -406 | -278 |
| Net operating result | | 685 | 596 | 350 |
| Other income from property management | | 34 | 32 | 35 |
| Administration | Note 6, 7, 8 | -217 | -190 | -94 |
| Result before financial items and unrealized changes in property value and goodwill | | 503 | 438 | 292 |
| Change in value of investment properties | Note 14 | -4,704 | -2,778 | 8,082 |
| Write-down of goodwill | Note 13 | -24 | - | - |
| Operating income | | -4,225 | -2,341 | 8,374 |
| Result from joint ventures and associated companies | Note 16 | -322 | -259 | 501 |
| Interest income and similar profit/loss items | Note 9 | 9 | 29 | 69 |
| Interest expenses and similar profit/loss items | Note 10 | -464 | -319 | -107 |
| Land lease agreements | | -2 | -2 | -2 |
| Change in value of financial instruments | Note 17 | -57 | -99 | 62 |
| Profit/loss before tax | | -5,061 | -2,991 | 8,897 |
| Current tax | Note 12 | -23 | -25 | -40 |
| Deferred tax | Note 12 | 700 | 188 | -323 |
| PROFIT/LOSS FOR THE PERIOD | | -4,384 | -2,827 | 8,535 |
| <i>The result of the period attributable to:</i> | | | | |
| The shareholders of the parent entity | | -4,384 | -2,827 | 8,535 |
| PROFIT/LOSS FOR THE PERIOD | | -4,384 | -2,827 | 8,535 |

Combined statement of comprehensive income

| SEK million | 2023-01-01 2023-12-31 | 2022-01-01 2022-12-31 | 2021-01-01 2021-12-31 |
|--|--------------------------|--------------------------|--------------------------|
| Profit/loss for the period | -4,384 | -2,827 | 8,535 |
| Items that may be reclassified to the result of the period | - | - | - |
| COMPREHENSIVE INCOME FOR THE PERIOD | -4,384 | -2,827 | 8,535 |
| <i>attributable to:</i> | | | |
| The shareholders of the parent entity | -4,384 | -2,827 | 8,535 |
| COMPREHENSIVE INCOME FOR THE PERIOD | -4,384 | -2,827 | 8,535 |



Combined balance sheet

| SEK million | Note | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|---|-------------|---------------|---------------|---------------|
| ASSETS | | | | |
| Fixed assets | | | | |
| Intangible fixed assets | | | | |
| Goodwill | Note 13 | 77 | 100 | 100 |
| Total intangible assets | | 77 | 100 | 100 |
| Tangible fixed assets | | | | |
| Investment property | Note 14 | 24,786 | 26,419 | 25,168 |
| Land lease agreements | Note 11 | 51 | 39 | 27 |
| Equipment, tools and installations | Note 15 | 1 | 0 | 10 |
| Total tangible fixed assets | | 24,838 | 26,459 | 25,205 |
| Financial assets | | | | |
| Shares in joint ventures and associated companies | Note 16 | 1,795 | 1,767 | 1,526 |
| Receivables on joint ventures and associated companies | Note 16 | 2 | 2 | 260 |
| Derivatives | Note 17 | 1 | 2 | 0 |
| Financial assets valued at real value | Note 17 | 35 | 139 | 259 |
| Non-current receivables from owners | Note 17 | 0 | 1,024 | 1,024 |
| Other long-term receivables | Note 17 | 24 | 560 | 3 |
| Total financial assets | | 1,857 | 3,495 | 3,071 |
| Total non-current assets | | 26,772 | 30,054 | 28,377 |
| Current assets | | | | |
| Property held for resale | | 13 | 16 | 3 |
| Accounts receivable | Note 23 | 38 | 15 | 309 |
| Short term receivable, shareholder | Note 17 | 4,029 | 3,312 | 1,942 |
| Other receivables | Note 17, 18 | 333 | 200 | 127 |
| Prepaid expenses and accrued income | Note 19 | 26 | 43 | 30 |
| Cash and cash equivalents | Note 20 | 316 | 2,913 | 2,903 |
| Total current assets | | 4,754 | 6,498 | 5,315 |
| TOTAL ASSETS | | 31,526 | 36,552 | 33,691 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | Note 21 | 0 | - | - |
| Retained earnings incl. comprehensive income for the year | | 13,205 | 15,047 | 16,220 |
| Total equity | | 13,205 | 15,047 | 16,220 |
| Non-current liabilities | | | | |
| Liabilities to credit institutions | Note 22 | 5,741 | 8,237 | 6,225 |
| Deferred tax liabilities | Note 12 | 1,031 | 1,744 | 1,941 |
| Debt related to site leasehold rights | Note 11 | 51 | 39 | 27 |
| Non-current liabilities to owners | Note 22 | 8,265 | 8,153 | 5,600 |
| Other long term debt | Note 22 | 159 | 100 | 85 |
| Total non-current liabilities | | 15,248 | 18,273 | 13,878 |
| Current liabilities | | | | |
| Liabilities to credit institutions | Note 22 | 2,652 | 140 | 90 |
| Trade payables | Note 22 | 54 | 118 | 55 |
| Current tax debt | Note 12 | 31 | 30 | 38 |
| Short term liabilities, shareholder | Note 22 | 98 | 2,270 | 2,144 |
| Other liabilities | Note 22, 23 | 54 | 505 | 1,124 |
| Accrued liabilities and deferred income | Note 24 | 183 | 169 | 142 |
| Total current liabilities | | 3,073 | 3,232 | 3,593 |
| TOTAL EQUITY AND LIABILITIES | | 31,526 | 36,552 | 33,691 |



Combined statement of changes in equity

| SEK million | Share capital | Retained earnings | Total equity |
|--|---------------|-------------------|---------------|
| Equity, opening balance 2021-01-01 | | 3,216 | 3,216 |
| Profit/loss for the period | | 8,535 | 8,535 |
| Other comprehensive income | | – | – |
| Comprehensive income for the period | | 8,535 | 8,535 |
| Transactions with owners, SBB group | | 4,469 | 4,469 |
| Equity, closing balance 2021-12-31 | | 16,220 | 16,220 |
| Equity, opening balance 2022-01-01 | | 16,220 | 16,220 |
| Profit/loss for the period | | –2,827 | –2,827 |
| Other comprehensive income | | – | – |
| Comprehensive income for the period | | –2,827 | –2,827 |
| Transactions with owners, SBB group | | 1,655 | 1,655 |
| Equity, closing balance 2022-12-31 | | 15,047 | 15,047 |
| Equity, opening balance 2023-01-01 | | 15,047 | 15,047 |
| Profit/loss for the period | | –4,384 | –4,384 |
| Other comprehensive income | | – | – |
| Comprehensive income for the period | | –4,384 | –4,384 |
| Establishing parent company | 0 | | 0 |
| Shareholders contribution | | 10 | 10 |
| Transactions with owners, SBB group | | 2,532 | 2,532 |
| Equity, closing balance 2023-12-31 | 0 | 13,205 | 13,205 |

The parent company was registered on September 21, 2023. As of December 31, 2023, the share capital amounted to SEK 25,000.



Combined cash flow statement

| SEK million | Note | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|--|---------|---------------|---------------|---------------|
| Operating activities | | | | |
| Profit/loss before tax | | -5,061 | -2,991 | 8,897 |
| <i>Adjustments for non-cash items</i> | | | | |
| Depreciation | | -5 | 1 | 2 |
| Change in value of properties | | 4,704 | 2,778 | -8,082 |
| Result from joint ventures and associated companies | | 322 | 259 | -501 |
| Change in value of financial instruments | | 57 | 99 | -62 |
| Result from other assets | | 0 | 0 | -16 |
| Other adjustments | | 28 | 48 | 18 |
| Total adjustment for other non-cash items | | 5,107 | 3,186 | -8,640 |
| Paid tax | | -22 | -25 | -40 |
| Cash flow from operating activities before changes in operating capital | | 23 | 170 | 217 |
| Cash flow from changes in operating capital | | | | |
| Change in trade receivables | | -12 | -8 | 135 |
| Change in other operating liabilities | | -220 | -152 | 143 |
| Cash flow from operating activities | | -209 | 10 | 496 |
| Investing activities | | | | |
| Investments in property | | -1,286 | -1,390 | -800 |
| Divestments of property | | 20 | 0 | 7 |
| Acquisition of subsidiaries less cash and cash equivalents | Note 26 | -1,011 | -1,704 | -5,887 |
| Other financial investments | | 49 | 18 | -68 |
| Cash flow from investment activities | | -2,228 | -3,076 | -6,748 |
| Financing activities | | | | |
| | Note 25 | | | |
| Transactions with owners | | 1,242 | 1,912 | 7,105 |
| New loans | | 0 | 2,217 | 2,117 |
| Amortization of loans | | -1,402 | -1,054 | -107 |
| Cash flow from financing activities | | -160 | 3,075 | 9,116 |
| Cash flow for the period | | -2,597 | 9 | 2,864 |
| Cash and cash equivalents at the beginning of the period | | 2,913 | 2,903 | 39 |
| Cash flow for the period | | -2,597 | 9 | 2,864 |
| Cash and cash equivalents at the end of the period | | 316 | 2,913 | 2,903 |



Notes

Note 1 Significant accounting principles

General information

These combined financial reports accounts cover the Swedish parent company, Sveafastigheter AB (publ), Reg. No. 559449-4329 and its subsidiaries as the Group looks after the restructuring that took place during the first half of 2024. The Group is active in property management and development. The parent company is a limited liability company registered in Sweden and with its registered offices in Stockholm.

Principles for the consolidated accounts

The combined financial reports have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and "RFR1 Supplementary Accounting Rules for Groups" have been applied. The accounting principles set out below, unless otherwise stated in Note 2, have been applied consistently to all periods presented in the combined financial statement. The Group's accounting principles have been applied consistently by the Group's companies.

Assets and liabilities are reported at acquisition value in addition to investment properties and some financial assets that are valued and reported at fair value. The functional currency for the parent company is Swedish kronor, which is also the reporting currency for the parent company and the Group. All amounts are stated in millions of SEK unless otherwise stated.

The formation of the Group is a transaction under common control and is not currently covered by any IFRS standard, which means that an appropriate accounting principle must be applied in accordance with IAS 8. An applicable and accepted method is to use previous book values (predecessor basis), which is the principle that Sveafastigheter has chosen to apply. The financial statements are prepared based on the financial information reported for the above entities for consolidated accounting purposes in SBB i Norden AB (publ), which is Sveafastigheter's parent company until the spin-off. Since the restructuring took place on June 28, 2024, consolidated financial statements cannot be prepared for 2023 or earlier periods. The financial statements are therefore an aggregation of the financial information of the constituent components and are presented as if the entities were a group from the time they were part of the SBB group. This means that the assets and liabilities of the entities are presented at the book value of the highest level of common control, i.e. SBB i Norden AB (publ), known as combined financial statements. In "NOTE 30 – Companies and properties included in the combined financial statements", entities included in the combined financial statements for each financial period are shown. These financial statements are Sveafastigheter's first financial statements prepared in accordance with IFRS. Taking into account the above, the adoption of IFRS has no impact on the measurement of assets and liabilities as no financial statements under other accounting policies have been prepared historically for the reporting entity.

Due to the fact that it is not only legal entities that have been transferred in connection with the formation of the Group, the following considerations have been made when preparing the financial statements, in addition to the principles used to determine which assets, liabilities, income and expenses as well as cash flows are to be included in the consolidated financial statements:

Allocation of income and costs and balance sheet items

As most of the current SBB's central functions linked to the residential segments of SBB have been transferred to the Group, these historical incomes and costs have been allocated to the Group and are included in the financial statements. Regarding administrative costs, the companies included in the combined

financial statements have historically been allocated a certain amount of costs from SBB based on allocation keys, primarily square meters. The base of this allocation has historically been too low, whereupon it has been calculated up to 100 percent of the total cost base in the combined financial statements.

For those properties that will be transferred from companies that have mixed property types, i.e. not only residential properties, profit and loss information for each property is included in the profit and loss account down to the administration item. Items thereafter are allocated with a key corresponding to the property value. Furthermore, a proportional allocation is also made of working capital items and indebtedness, which is also allocated based on the property value.

Remuneration of senior executives

Due to the fact that there was no appointed group management for Sveafastigheter before March 2024, no specific information is presented regarding remuneration to senior executives prior to this period. No board fees have been paid for the financial years 2021–2023.

Financial costs and capital structure

Sveafastigheter has both external borrowing and borrowing from the SBB group. The external financial costs charged to the units in Sveafastigheter for 2021, 2022 and 2023 are based on actual costs. The financial costs charged to Sveafastigheter regarding the borrowing from the SBB group deviate from the actual cost that existed for the SBB group in relation to the borrowing. Therefore, an adjustment has been made in the combined financial statements to achieve Sveafastigheter's share of the actual historical interest expenses. Sveafastigheter's historical capital structure is not representative of a separate listed entity as Sveafastigheter has primarily been internally financed. The final capital structure for Sveafastigheter that was established in connection with SBB's spin-off of Sveafastigheter and that will exist going forward is thus not reflected in these combined financial statements as the financial statements describe the history. Net surpluses in the Group account (cash pool) are presented as cash and cash equivalents and deficits in group account as liabilities to the SBB group.

Income tax

Tax is accounted for in the combined financial statements based on the tax reported in the constituent entities and taking into account tax on the above allocation of administrative expenses. Given the uncertainty of the deductibility of financial expenses, no tax has been taken into account on the adjustment for financial expenses.

Elimination of transactions within Sveafastigheter

Receivables, liabilities, income and expenses as well as unrealized profits and losses that arise between units within Sveafastigheter are eliminated in their entirety. Unrealized losses are eliminated in the same way as unrealized profits, but only to the extent that there is no need for impairment.

Transactions with shareholders

Group contributions and other transactions between Sveafastigheter and SBB without compensation have been recognized as "Transactions with shareholder, SBB group" in equity in these combined financial statements. Related party transactions are also reported as a separate item in the cash flow statement. Transactions between group companies and inter-company relations with companies within SBB in the normal course of business have been recognized as transactions and inter-company relations with related parties. For more information, see "NOTE 29 – Related party transactions".



Note 1 Significant accounting principles, cont.

Accounting and valuation principles

The basis of preparation of Sveafastigheter's combined financial statements has been described above. Other accounting principles are set out below and in the relevant notes.

Acquisitions

In the case of an acquisition, an assessment is made whether the acquisition constitutes a business combination or an asset acquisition. An asset acquisition exists if the acquisition relates to properties but does not include the organization and the processes required to conduct the management activities. Other acquisitions are business combinations.

Since the acquisitions of group companies do not involve business combinations, but to the acquisition of assets in the form of investment property, the acquisition cost is allocated to the acquired net assets. Transaction costs are added to the cost of net assets acquired in an asset transfer.

Note 2 Information on new and future standards

New and amended standards applicable as of 2023

Adjustments have been made in accordance with IAS 1 based on new directives applicable as of 2023. The amendments entail the requirement in IAS 1 regarding the disclosure of significant accounting policies is replaced with a requirement provide information on material accounting principles.

New standards and interpretations not yet effective

Taking effect as of 2024, amendments are made to IAS 1 regarding the classification of liabilities as current or non-current and, at the same time, new disclosure requirements are introduced regarding loan liabilities associated with covenants over the ensuing 12-month period. Other amendments to standards that have been published and are effective for annual periods beginning on or after January 1, 2024, are not expected to have a material impact on the Group's financial statements in the current or future periods, nor on future transactions.

IFRS 18 Presentation and Disclosure in Financial Statements, the new standard on presentation and disclosure in financial statements replaces IAS 1 Presentation of Financial Statements, focusing on changes to the presentation of the income statement. IFRS 18 will not affect the recognition or measurement of items in the financial statements. The standard is effective for annual periods beginning on or after January 1, 2027; earlier application is permitted. The Group has not yet evaluated the impact of the adoption of the standard.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, focusing on the timing of recognition and derecognition of certain financial assets and liabilities, additional guidance for assessing whether a financial asset meets the criterion of solely payments of principal and interest (SPP), introduction of new disclosure requirements for instruments with contractual terms that can change cash flows. This includes instruments linked to environmental, social and governance targets. The standard is effective for annual periods beginning on or after January 1, 2026; earlier application is permitted. The Group has not yet evaluated the impact of the introduction of the standard.

Note 3 Other significant estimates and assessments

When preparing the financial reports, the executive management and the Board must make certain assessments and assumptions that affect the carrying amounts of asset and liability items and revenue and expense items as well as information provided in other respects. The assessments are based on experiences and assumptions that the management and the Board consider to be reasonable under the prevailing circumstances. Actual outcomes can then differ from these assessments if other conditions arise. The assessments that are most significant in the preparation of the financial reports are described below:

Significant sources of uncertainty in estimates that may have an impact in the next 12 months

Investment properties

Investment properties are reported at fair value, which is determined based on market assessment. Significant assumptions have been made based on the valuers' empirical estimates of the market's yield requirements for comparable properties. Cash flow estimates are based on actual expenses, experiences of comparable properties and assumptions regarding future cost trends. Future investments have been estimated on the basis of the actual need that exists. In the future, actual costs and needs may be proven to differ from those assessed at the end of each reporting period. There is a significant risk of material adjustment based on the uncertain market situation that may result in a change in estimated market values during the next financial year. For additional information, see "NOTE 14 – Investment properties".

Deferred tax

When assessing loss carryforwards, an assessment is made of the possibility of utilizing the deficits against future profits. Deferred tax is reported in accordance with the balance sheet method and to the extent it is likely that the amounts can be utilized against future surpluses. For additional information, see "NOTE 12 – Tax".

Other significant assessments

Acquisitions of companies

When acquiring companies, an assessment is made of whether the acquisition is to be classified as an asset acquisition or business combination. An asset acquisition exists if the acquisition relates to properties, but does not include organization, personnel and the processes required to conduct the business. Other acquisitions are business combinations.

Property transactions

In connection with property transactions, a comprehensive assessment is made of the relevant facts and circumstances based on the terms of the contract to determine when risks, benefits and control are deemed to be transferred. The financial benefits attributable to an investment property consist of both the net operating income and the asset's change in value. Based on the terms of the contract, the time when the future financial benefits will accrue to Sveafastigheter is determined, as well as the time when Sveafastigheter can exercise control by governing the use of the asset.

From time to time, property acquisitions are conditioned by events beyond Sveafastigheter's control. This may include the approval of the counterparty's Board of Directors or other decision-making bodies, legally binding zoning plans or other official decisions. Only when these conditions are met is it deemed likely that the financial benefits will accrue to the company and the cost can be reliably calculated, which is considered to be the first reporting occasion.



Note 3 Other significant estimates and assessments, cont.

If the obligation to pay additional purchase consideration is not dependent on Sveafastigheter's future operations, that is, if the events giving rise to the payment are beyond Sveafastigheter's control, a liability is reported. The liability is reported at fair value and corresponds to Sveafastigheter's best estimate of what will be paid. If the obligation to pay additional purchase consideration is dependent on Sveafastigheter's future operations, an assessment is made as to whether the conditions prevail for reporting a provision. From time to time, property sales are conditioned by events beyond Sveafastigheter's control, such as the approval of the counterparty's Board of Directors or other decision-making bodies, legally binding zoning plans or other official decisions, or the counterparty's capacity to raise financing. Sales are first reported when all conditions have been met and the proceeds of the sale can be reliably determined. Until such time as the proceeds of the sale have been received, the yet to be received proceeds are reported as a receivable. In cases where Sveafastigheter may receive additional purchase consideration in connection with sales of investment properties, such purchase consideration is reported as a receivable only once all conditions have been met and the additional purchase consideration can be reliably calculated and it is probable that the purchase consideration will be received. Such receivables are measured at fair value, corresponding to Sveafastigheter's best estimate of what will be received. Until such time, the purchase consideration is not reported as an asset in the consolidated statement of financial position. In cases where the Company conducts significant property transactions, specific disclosures on these are provided.

Leases

In close connection with some of Sveafastigheter's acquisitions of properties, leases are entered into with the seller of the property, i.e., Sveafastigheter acts as a buyer/lessor in sale and leaseback transactions. In cases where the lease is of a longer nature, there are material assessments in the classification of the lease as either a finance or operating lease, which affects whether the underlying property is recognized in the consolidated balance sheet at fair value in accordance with IAS 40 or is derecognized and replaced by a lease receivable in accordance with IFRS 16. Sveafastigheter analyses the lease's specific facts and circumstances and conducts both qualitative and quantitative assessments to determine the lease classification.

Other leases, such as leases of cars, office machines, etc. are deemed immaterial for the Group as a whole and the expense is reported on a straight-line basis over the term of the lease.

In cases where Sveafastigheter acquires a property and then leases the property to the seller, Sveafastigheter makes an assessment based on the criteria in the sale and leaseback rules.

Note 4 Rental income

Accounting principle

The Group's revenues consist essentially of rental income.

Leases are classified in their entirety as operational leases. Rental income including supplements is announced in advance and rent is accrued linearly with only the portion of the rent accruing to the period being reported as income. Reported rental income has, where applicable, been reduced by the value of rent discounts provided. In cases where a lease allows a reduced rent for a certain period, this is allocated on a straight line basis over the contract period in question. Any extension of the rental period is not taken into account in such allocations. Remuneration paid by tenants in connection with early relocation is reported as revenue in connection with the termination of the contractual relationship with the tenant and no commitments remain, which normally occurs when moving away.

Based on the leases that the Group has and its form, Sveafastigheter has found that the service provided by the Group is subordinate to the lease contract and that all remuneration shall be deemed to be rent.

The table below shows the rental income calculated on current rental agreements. The majority of leases within the Group consists of residential and car rental contracts, which usually run on a three-months notice. Assumptions regarding future rental income are based on existing agreements and the assumption that these will continue to be complied with.

| SEK million | 2023 | 2022 | 2021 |
|--|------------|------------|------------|
| Contracted rental income within 1 year | 350 | 325 | 200 |
| Contracted rental income between 1 and 2 years | 73 | 68 | 45 |
| Contracted rental income between 2 and 3 years | 49 | 51 | 36 |
| Contracted rental income between 3 and 4 years | 25 | 24 | 29 |
| Contracted rental income between 4 and 5 years | 18 | 8 | 22 |
| Contracted rental income later than 5 years | 51 | 18 | 246 |
| Total | 566 | 494 | 578 |



Note 5 Operating segments

Accounting principle

The Group's division into segments is based on the differences in the nature of the segments and on the reporting that the management obtains in order to follow up and analyze the business and to make strategic decisions. The segments are divided based on the types of properties in which Sveafastigheter is active, and consist of two segments:

- Property management, refers to properties under management
- New construction, refers to properties under construction, project development and building rights

2023-01-01 – 2023-12-31

| SEK million | Property management | Construction | Total segment | Intra-group items and eliminations | Group total |
|--|---------------------|--------------|---------------|------------------------------------|---------------|
| Rental income | 1,110 | 17 | 1,126 | - | 1,126 |
| Property expenses | -438 | -3 | -441 | - | -441 |
| Net operating result | 672 | 14 | 685 | - | 685 |
| Other income from property management | - | - | - | 34 | 34 |
| Administration | - | - | - | -217 | -217 |
| Result before financial items and unrealized changes in property value and goodwill | 672 | 14 | 685 | -183 | 503 |
| Unrealized change in value of properties | -4,633 | -71 | -4,704 | - | -4,704 |
| Write-down of goodwill | - | - | - | -24 | -24 |
| Operating income | -3,961 | -57 | -4,019 | -207 | -4,225 |
| Result from joint ventures and associated companies | - | - | - | -322 | -322 |
| Interest income and similar profit/loss items | - | - | - | 9 | 9 |
| Interest expenses and similar profit/loss items | - | - | - | -464 | -464 |
| Land lease agreements | - | - | - | -2 | -2 |
| Unrealized change in value of financial instruments | - | - | - | -57 | -57 |
| Profit/loss before tax | -3,961 | -57 | -4,019 | -1,043 | -5,061 |
| Tax | - | - | - | 677 | 677 |
| PROFIT/LOSS FOR THE PERIOD | -3,961 | -57 | -4,019 | -366 | -4,384 |

2022-01-01 – 2022-12-31

| SEK million | Property management | Construction | Total segment | Intra-group items and eliminations | Group total |
|--|---------------------|--------------|---------------|------------------------------------|---------------|
| Rental income | 1,000 | 1 | 1,002 | - | 1,002 |
| Property expenses | -406 | 0 | -406 | - | -406 |
| Net operating result | 595 | 1 | 596 | - | 596 |
| Other income from property management | - | - | - | 32 | 32 |
| Administration | - | - | - | -190 | -190 |
| Result before financial items and unrealized changes in property value and goodwill | 595 | 1 | 596 | -158 | 438 |
| Unrealized change in value of properties | -2,806 | 27 | -2,778 | - | -2,778 |
| Operating income | -2,211 | 29 | -2,183 | -158 | -2,341 |
| Result from joint ventures and associated companies | - | - | - | -259 | -259 |
| Interest income and similar profit/loss items | - | - | - | 29 | 29 |
| Interest expenses and similar profit/loss items | - | - | - | -319 | -319 |
| Land lease agreements | - | - | - | -2 | -2 |
| Unrealized change in value of financial instruments | - | - | - | -99 | -99 |
| Profit/loss before tax | -2,211 | 29 | -2,183 | -808 | -2,991 |
| Tax | - | - | - | 163 | 163 |
| PROFIT/LOSS FOR THE PERIOD | -2,211 | 29 | -2,183 | -645 | -2,827 |



Note 5 Operating segments, cont.

| 2021-01-01 – 2021-12-31 | | | | | |
|--|---------------------|--------------|---------------|------------------------------------|--------------|
| SEK million | Property management | Construction | Total segment | Intra-group items and eliminations | Group total |
| Rental income | 628 | 0 | 628 | – | 628 |
| Property expenses | –278 | 0 | –278 | – | –278 |
| Net operating result | 350 | 0 | 350 | – | 350 |
| Other income from property management | – | – | – | 35 | 35 |
| Administration | – | – | – | –94 | –94 |
| Result before financial items and unrealized changes in property value and goodwill | 350 | 0 | 350 | –58 | 292 |
| Unrealized change in value of properties | 8,013 | 68 | 8,082 | – | 8,082 |
| Operating income | 8,364 | 68 | 8,432 | –58 | 8,374 |
| Result from joint ventures and associated companies | – | – | – | 501 | 501 |
| Interest income and similar profit/loss items | – | – | – | 69 | 69 |
| Interest expenses and similar profit/loss items | – | – | – | –107 | –107 |
| Land lease agreements | – | – | – | –2 | –2 |
| Unrealized change in value of financial instrument | – | – | – | 62 | 62 |
| Profit/loss before tax | 8,364 | 68 | 8,432 | 466 | 8,897 |
| Tax | – | – | – | –363 | –363 |
| PROFIT/LOSS FOR THE PERIOD | 8,364 | 68 | 8,432 | 103 | 8,535 |

All revenue is attributable to Sweden. All tangible fixed assets (other than financial instruments or accrued tax assets) are allocated to Sweden. There is no tenant that makes up more than ten percent of the revenue.

Note 6 Operating costs by nature

Accounting principle

Property expenses

Property expenses, which are a part of the Group's net operating income, include operating and maintenance costs, and property tax. Operating costs consist, among other things, of tariff-based costs, such as electricity, water, heating, cleaning and insurance. Maintenance costs refer to costs for measures to maintain the standard and technical condition of the property. Property tax refers to both property tax based on the property's tax assessment value and, where applicable, property charges based on fees per apartment.

Administration expenses

The Group's administration costs include property administration, such as property and financial management, as well as Group-wide costs, such as costs for group management, business development and financing.

Operating costs per function

| SEK million | 2023 | 2022 | 2021 |
|--------------------|-------------|-------------|-------------|
| Operating expenses | –342 | –325 | –218 |
| Maintenance | –80 | –60 | –47 |
| Property tax | –20 | –21 | –12 |
| Administration | –217 | –190 | –94 |
| Total costs | –658 | –596 | –371 |

Operating costs per cost type

| SEK million | 2023 | 2022 | 2021 |
|---------------------------------|-------------|-------------|-------------|
| Operating and maintenance costs | –421 | –385 | –266 |
| Property tax | –20 | –21 | –12 |
| Other external expenses | –183 | –166 | –68 |
| Personnel expenses | –34 | –22 | –24 |
| Depreciation | 0 | –1 | –1 |
| Total costs | –658 | –596 | –371 |

Note 7 Fees to the auditor

Ernst & Young AB

| SEK million | 2023 | 2022 | 2021 |
|----------------|-----------|-----------|-----------|
| Audit fees | –3 | –1 | –2 |
| Other services | 0 | 0 | 0 |
| Total | –3 | –1 | –2 |

Öhrlings PricewaterhouseCoopers AB

| SEK million | 2023 | 2022 | 2021 |
|-------------------------|-----------|-----------|-----------|
| Audit fees | –2 | –2 | 0 |
| Other services | – | – | – |
| Total | –2 | –2 | 0 |
| Total audit fees | –6 | –3 | –2 |

**Note 8** Employees and personnel costs**Accounting principle**

Employee benefits consist of salaries, paid holidays, paid sick leave and other benefits and pensions. In the report, certain personnel costs have been reclassified as capitalized in projects when it has been possible to apply the rules. For this reason, the personnel costs in this note will not be consistent with the cost categories in "NOTE 6 – Operating costs by nature". The Group only has defined contribution pension plans. Defined contribution pension plans are reported as a cost in the period to which the premiums paid are attributable.

| | 2023 | | 2022 | | 2021 | |
|---------------------------|-----------------------------|------------------|-----------------------------|------------------|-----------------------------|------------------|
| | Average number of employees | Of whom women, % | Average number of employees | Of whom women, % | Average number of employees | Of whom women, % |
| Subsidiary | 21 | 44 | 12 | 58 | 20 | 58 |
| Parent company | 0 | 0 | – | – | – | – |
| Total in the Group | 21 | 44 | 12 | 58 | 20 | 58 |

| Personnel costs | 2023 | 2022 | 2021 |
|---------------------------------|-----------|----------|----------|
| SEK million | | | |
| Parent company | | | |
| Other employees | | | |
| Salaries and other remuneration | -1 | – | – |
| Social security contributions | -0 | – | – |
| Pension expenses | -0 | – | – |
| Other personnel expenses | -0 | – | – |
| Total | -1 | – | – |

| Personnel costs | 2023 | 2022 | 2021 |
|---------------------------------|------------|------------|------------|
| SEK million | | | |
| Subsidiaries | | | |
| Other employees | | | |
| Salaries and other remuneration | -24 | -20 | -16 |
| Social security contributions | -9 | -8 | -6 |
| Pension expenses | -4 | -5 | -3 |
| Other personnel expenses | -1 | -2 | -2 |
| Total | -37 | -35 | -26 |
| Total personnel costs | -38 | -35 | -26 |

Note 9 Financial income

| SEK million | 2023 | 2022 | 2021 |
|---|----------|-----------|-----------|
| Assets measured at amortized cost | | | |
| Interest income | 1 | 29 | 13 |
| Interest income joint ventures and associated companies | 0 | 0 | 0 |
| Interest income accounts receivable | 0 | 0 | 0 |
| Total interest income based on the effective interest method | 1 | 29 | 14 |
| Dividends from shares and participations | 8 | 0 | 56 |
| Total interest income and similar items | 9 | 29 | 69 |

Note 10 Financial expenses**Accounting principle****Capitalized interest**

Sveafastigheter capitalizes interest on qualifying assets. Sveafastigheter's qualifying assets comprise investment properties. Interest is only capitalized on significant investments exceeding SEK 1 million. Capitalization ceases when the activities required to complete the qualifying asset, to all intents and purposes, have been completed.

| Liabilities reported at amortized cost | 2023 | 2022 | 2021 |
|---|-------------|-------------|-------------|
| SEK million | | | |
| Interest expenses, liabilities to credit institutions | -222 | -162 | -71 |
| Depreciation of arrangement fees | 5 | 1 | -1 |
| Interest expenses, owners | -247 | -158 | -35 |
| Other financial expenses | 0 | 0 | 0 |
| Total interest expenses and similar items | -464 | -319 | -107 |

During the year, SEK 40 million (2022: SEK 45 million, 2021: SEK 16 million) in interest payments were capitalized for investments in the property portfolio.

Note 11 Leases**Accounting principle****Sveafastigheter as lessor**

Leases in which substantially all of the risks and rewards incidental to ownership remain with the lessor are classified as operating leases. All of the Group's lease agreements are therefore regarded as operating leases. Sveafastigheter is the lessor when providing premises for tenants, see "NOTE 4 – Rental income" for more information. Properties leased under operating leases are included in the item investment properties.

Sveafastigheter as lessee

The Group's material leases mainly consist of land lease agreements. Leaseholds are according to IFRS 16 considered as an perpetual lease and the carrying amount will thereby not be depreciated, but rather the value will remain until leasehold fees are renegotiated. The leasing liability that arises is not repaid, but rather the value remains until leasehold fees are renegotiated. Expenses for leaseholds are reported as a financial expenses in the income statement.

2023-12-31

| SEK million | Land lease agreements | Lease liability |
|-----------------------|-----------------------|-----------------|
| Opening balance | 39 | -39 |
| Additional agreements | 12 | -12 |
| Closing balance | 51 | -51 |

2022-12-31

| SEK million | Land lease agreements | Lease liability |
|-----------------------|-----------------------|-----------------|
| Opening balance | 27 | -27 |
| Additional agreements | 12 | -12 |
| Closing balance | 39 | -39 |

2021-12-31

| SEK million | Land lease agreements | Lease liability |
|-----------------|-----------------------|-----------------|
| Opening balance | 27 | -27 |
| Closing balance | 27 | -27 |



Note 11 Leases, cont.

In addition to the land lease agreements there are leasing agreements for cars, office equipment etc. The Group assesses these agreements as immaterial to the Group as a whole and the leasing fee is therefore reported as a cost linearly over the leasing term in the income statement, with no right-of-use asset or leasing liability being recognized in the balance sheet.

| | 2023 | 2022 | 2021 |
|---|-----------|-----------|-----------|
| Interest expense on leases | -2 | -2 | -2 |
| Cost for lease agreements where the underlying asset is of lesser value | - | - | - |
| Reported leasing | -2 | -2 | -2 |

Note 12 Tax

Accounting principle

Deferred tax

Deferred tax liabilities are reported for taxable temporary differences and deferred tax assets are reported for deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable surpluses. On the other hand, if the temporary difference arose in the initial recognition of assets and liabilities that constitute an asset acquisition, deferred tax is not reported.

The Group reports tax expenses in the form of tax for the year and deferred tax, calculated based on the current tax rates of 20.6 percent in Sweden.

| Reported tax SEK million | 2023 | 2022 | 2021 |
|------------------------------------|------------|------------|-------------|
| Current tax | -21 | -24 | -40 |
| Tax attributable to previous years | -1 | 0 | 0 |
| Deferred tax, properties | 682 | 159 | -325 |
| Deferred tax, untaxed reserves | -8 | -1 | - |
| Deferred tax, loss carryforwards | 26 | 31 | 14 |
| Deferred tax, other | -1 | 0 | -12 |
| Reported tax | 678 | 163 | -363 |

Reconciliation of effective tax rate

| SEK million | 2023 | 2022 | 2021 |
|--|------------|------------|-------------|
| Profit/loss before tax | -5,061 | -2,991 | 8,897 |
| Tax according to the applicable tax rate for the parent company | 1,043 | 616 | -1,833 |
| <i>Tax effect of:</i> | | | |
| Tax attributable to previous years | -1 | -1 | 0 |
| Profit/loss from participations in associated companies and joint ventures | -65 | -53 | 111 |
| Non-taxable income | 0 | 1 | 13 |
| Non-deductible expenses | -90 | -32 | -33 |
| Non-deductible interest expenses | -105 | -23 | -18 |
| Temporary differences regarding properties | -154 | -331 | 1,542 |
| Deferred tax, sold companies | 49 | -12 | -140 |
| Other tax adjustments | 0 | -1 | -5 |
| Reported tax | 678 | 163 | -363 |
| Effective tax rate | -13% | -5% | -4% |

All tax-loss carryforwards have been taken into account in the calculation of deferred tax. The tax-loss carryforwards amounted to SEK 524 million as of December 31, 2023.

Information on deferred tax assets and tax liabilities

Deferred tax

| SEK million | 2023 | 2022 | 2021 |
|--|---------------|---------------|---------------|
| Deferred tax, properties | -1,038 | -1,711 | -1,822 |
| Deferred tax, untaxed reserves | -22 | -14 | -61 |
| Deferred tax, loss carryforwards | 108 | 82 | 42 |
| Deferred tax, goodwill | -76 | -100 | -100 |
| Deferred tax, other | 2 | -1 | 0 |
| Reported deferred tax liability | -1,031 | -1,744 | -1,941 |

Note 13 Goodwill

Accounting principle

Goodwill arises when there is a difference between nominal tax and the deferred tax, which is calculated on the acquisition of properties in corporate form, which is considered to constitute a business combination. This goodwill has an equivalent amount within deferred tax and is reduced when the property concerned is sold.

Goodwill is tested for impairment annually or more often if there is an indication that the carrying amount may not be recoverable.

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|------------------------|------------|------------|------------|
| Opening balance | 77 | 100 | 100 |
| Sales | - | -24 | - |
| Closing balance | 77 | 77 | 100 |

Note 14 Investment properties

Accounting principle

Investment properties

Investment properties are reported at their assessed market value in accordance with the valuation methods and models described below. Fair value is assessed in accordance with IFRS 13 level 3.

Unrealized and realized changes in value are reported in the income statement on the line Changes in value of investment properties. Unrealized changes in value are calculated on the basis of the valuation at the end of the period compared with the valuation at the beginning of the period or the acquisition value if the property was acquired during the period with regard to the period's investments. Realized changes in the value of properties are calculated as a purchase price minus selling expenses minus book value, at the beginning of the year, that is, including unrealized changes in value in previous years. Property transactions are reported in connection with control being transferred to the buyer from the seller. Control is considered to have been transferred as of the signing of the contract for unconditional property transactions, or when the conditions for assuming or relinquishing control are met for conditional property transactions. For more information, see also "NOTE 3 – Other significant estimates and assessments".

For properties where condominiums are planned, the property is considered a current asset and a value is taken up corresponding to what has been invested in the project, with deductions for any assessed impairment needs.

Valuation method

All of Sveafastigheter's properties have been valued on a quarterly basis, with the involvement of external appraisers, throughout the financial year. Sveafastigheter is responsible for the valuation process and makes its own assessment of the reasonableness of the external valuation conducted. The valuations have been conducted in accordance with the International Valuation Standard Council (IVCS) and the RICS valuation stan-

**Note 14 Investment properties cont.**

standard (latest edition). Definitions and value concepts are in accordance with the International Valuation Standards (latest edition), established by the International Valuation Standard Council (IVCS). Market value is defined as the assessed price at which an asset would be sold on the value date, between a buyer and seller without common interests, where both act in a well-informed manner and without coercion, and following normal marketing. The uncertainty regarding estimates of market value is often indicated using a range of values, normally +/-5–10 percent, although this varies depending on the market situation, investment needs and the standard of the property. Each assumption for a property is assessed individually based on the knowledge available about the property, as well as the external appraisers' market information and experience-based assessments. Fair value has thus been assessed in accordance with IFRS 13 level 3. No transfers have been made between the valuation levels during the current or comparison period. The properties are inspected by the appraisers according to a rolling schedule where the aim is for each property to be inspected at least every three years. These inspections include public areas and a selection of premises with a particular emphasis on major tenants and vacant premises. The purpose of the inspections is to assess the properties' overall standard and condition, maintenance requirements, market position, the attractiveness of the premises and any adaptation needs.

Valuation model – properties generating cash flows

On external valuation, the property value is determined through a combination of the location price method and the yield-based method, the model used is unchanged from previous years. The yield-based method builds on a cash flow analysis being drawn up for each property. The cash flow analysis comprises an assessment of the present value of the property's future net operating income over the calculation period, as well as the present value of the property's residual value in connection with a calculation period. The company provides the appraisers current rental lists, outcome costs, as well as the assessed remaining investments in projects. The residual value is assessed through a perpetual capitalization of an estimated market-based net operating income for the year following the end of the calculation period. The perpetual capitalization occurs at a yield requirement estimated by Sveafastigheter together with external appraisers, and determined using the location price method, where the relevant transaction market for comparable properties is taken into account, including both direct and indirect (properties sold in companies) transactions. The discount rate used for calculating the present value of future cash flows comprises the yield requirement plus assumed cash flow growth over the calculation period. These future cash flows are based on a calculation period of ten years, while taking into account leases extending beyond the ten-year period. The assumption regarding future cash flows following the expiration of the lease is drawn based on, e.g. current and historical rents, actual outcome costs, comparable outcome costs, the future development of the market and the local area, currently applicable rental terms, and market-based rental terms at the end of the contract period, combined with information benefiting the appraiser during the inspection.

Valuation model – properties not generating cash flows

Properties that do not generate cash flows are properties where Sveafastigheter plans to construct a new building and where investment for construction or in planning and investigation work are ongoing. Sufficient documentation is in place for the future building to be able to assess future net operating income and project costs. During the planning and investigation phase, however, insignificant cash flows may arise, although receiving these is not the primary purpose of owning the property. Since the advancement of projects is safeguarded both through land allocation and proprietary ownership, two approaches exist:

Proprietary ownership

For proprietary ownership, there are risks associated to the status of the zoning plan and the time aspect. The risk deductions have been based on either the planning stage of the project or area at the time of valuation or the time aspect. A deduction from the value is made by the largest percentage of the two tables below:

Deduction zoning plan status

Project concept 75%

No planning approval 75%

Planning approval 50%

Consultations completed 25%

Review completed 25%

Legal force 15%

Deduction time to construction start

3–4 years 40%

2–3 years 30%

1–2 years 20%

0–1 year 15%

Land allocations

For land allocations, the risk is based on the time aspect. Since the municipality has undertaken the land allocation, the planning risk decreases, although a lesser political risk remains, as well as the time aspect. Depending on the time remaining until the adoption of the zoning plan and until the site is taken into possession, deductions are applied in accordance with the table "Deduction time to construction start" above.

Ongoing construction

For properties under construction, the risk decreases as the construction process progresses. For these properties, a ten percent deduction is made until the frame of the buildings is erected, after which a five percent deduction is made.

Development of condominiums

For project properties where condominiums are planned, the property is considered a Current asset and a value is taken up corresponding to what has been invested in the project, with deductions for any assessed impairment needs.

Description of changes in the property holdings

| | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|--------------------------------|---------------|---------------|---------------|
| Fair value | | | |
| Opening carrying amount | 26,419 | 25,168 | 9,592 |
| Acquisitions | 1,669 | 2,463 | 7,180 |
| Investments | 1,286 | 1,390 | 800 |
| Sales | -20 | 0 | -7 |
| Unrealized value changes | -4,568 | -2,602 | 7,602 |
| Closing carrying amount | 24,786 | 26,419 | 25,168 |
| | 2023 | 2022 | 2021 |
| Changes in value | | | |
| Unrealized value changes | -4,568 | -2,602 | 7,602 |
| Realized value changes | -136 | -176 | 480 |
| Total | -4,704 | -2,778 | 8,082 |



Note 14 Investment properties cont.

| 2023 | Category | Property value, SEK million | Number of properties | Rental value, SEK million | Operating net, SEK million | Occupancy rate, average, % | Leaseable area, thousand sqm | Interval | | Proportion +/- | Average rate |
|------|------------------------------|-----------------------------|----------------------|---------------------------|----------------------------|----------------------------|------------------------------|---------------|---------------|----------------------------|--------------|
| | | | | | | | | MIN – Exit, % | MAX – Exit, % | 1.5%-point | |
| | | | | | | | | | | Percentage within interval | Exit, % |
| | Stockholm – Mälardalen | 4,543 | 55 | 261 | 169 | 96.6 | 159,888 | 3.00 | 7.00 | 96.0 | 4.05 |
| | University cities | 8,789 | 73 | 541 | 322 | 93.8 | 394,380 | 3.50 | 5.40 | 100.0 | 4.02 |
| | Malmö-Öresund | 4,399 | 69 | 274 | 176 | 96.4 | 194,973 | 3.47 | 5.37 | 100.0 | 4.18 |
| | Greater Gothenburg | 1,493 | 15 | 86 | 57 | 96.6 | 60,705 | 3.65 | 4.60 | 100.0 | 3.92 |
| | Others | 1,086 | 27 | 99 | 43 | 83.3 | 78,556 | 4.90 | 7.70 | 93.2 | 5.39 |
| | Total | 20,310 | 239 | 1,260 | 767 | 94.3 | 888,501 | 3.00 | 7.70 | 97.5 | 4.13 |
| | Projects and building rights | 4,475 | – | – | – | – | – | – | – | – | – |
| | Total | 24,786 | | | | | | | | | |

| 2022 | Category | Property value, SEK million | Number of properties | Rental value, SEK million | Operating net, SEK million | Occupancy rate, average, % | Leaseable area, thousand sqm | Interval | | Proportion +/- | Average rate |
|------|------------------------------|-----------------------------|----------------------|---------------------------|----------------------------|----------------------------|------------------------------|---------------|---------------|----------------------------|--------------|
| | | | | | | | | MIN – Exit, % | MAX – Exit, % | 1.5%-point | |
| | | | | | | | | | | Percentage within interval | Exit, % |
| | Stockholm – Mälardalen | 4,482 | 52 | 197 | 128 | 95.9 | 137,065 | 2.28 | 6.35 | 95.7 | 3.47 |
| | University cities | 9,567 | 79 | 493 | 305 | 96.1 | 394,079 | 2.50 | 4.80 | 100.0 | 3.31 |
| | Malmö-Öresund | 4,983 | 69 | 249 | 161 | 97.3 | 195,037 | 2.75 | 4.80 | 100.0 | 3.54 |
| | Greater Gothenburg | 1,685 | 15 | 79 | 50 | 96.0 | 60,705 | 3.00 | 4.10 | 100.0 | 3.32 |
| | Others | 1,112 | 30 | 84 | 39 | 84.4 | 75,364 | 4.26 | 7.58 | 85.7 | 4.46 |
| | Total | 21,829 | 245 | 1,102 | 683 | 95.4 | 862,251 | 2.28 | 7.58 | 97.4 | 3.38 |
| | Projects and building rights | 4,590 | – | – | – | – | – | – | – | – | – |
| | Total | 26,419 | | | | | | | | | |

| 2021 | Category | Property value, SEK million | Number of properties | Rental value, SEK million | Operating net, SEK million | Occupancy rate, average, % | Leaseable area, thousand sqm | Interval | | Proportion +/- | Average rate |
|------|------------------------------|-----------------------------|----------------------|---------------------------|----------------------------|----------------------------|------------------------------|---------------|---------------|----------------------------|--------------|
| | | | | | | | | MIN – Exit, % | MAX – Exit, % | 1.5%-point | |
| | | | | | | | | | | Percentage within interval | Exit, % |
| | Stockholm – Mälardalen | 3,238 | 44 | 143 | 84 | 93.1 | 112,028 | 2.15 | 6.10 | 92.3 | 3.23 |
| | University cities | 9,131 | 66 | 428 | 293 | 97.4 | 358,904 | 2.20 | 4.55 | 98.7 | 2.95 |
| | Malmö-Öresund | 5,219 | 69 | 243 | 164 | 97.7 | 194,035 | 2.35 | 4.29 | 100.0 | 3.12 |
| | Greater Gothenburg | 1,640 | 10 | 69 | 47 | 96.7 | 54,928 | 2.60 | 3.90 | 100.0 | 2.90 |
| | Others | 992 | 22 | 76 | 34 | 80.0 | 70,948 | 3.93 | 7.16 | 93.3 | 4.52 |
| | Total | 20,220 | 211 | 958 | 622 | 95.4 | 790,843 | 2.15 | 7.16 | 96.0 | 2.99 |
| | Projects and building rights | 4,948 | – | – | – | – | – | – | – | – | – |
| | Total | 25,168 | | | | | | | | | |

The property valuations are made according to accepted principles based on certain assumptions available at the time of preparation of the financial statements. Current circumstances and assumptions about future developments may change due to changes in the market or other circumstances beyond Sveafastigheter's control. Fair value is an assessment of a probable sales price at a given time in the market. Only when a transaction is completed and paid, can the fair price be determined. The table below presents how the value has been impacted by a change in certain parameters assumed for the valuation.



Note 14 Investment properties cont.

| Sensitivity analysis | | | |
|--|----------------|----------------|----------------|
| SEK million | 2023 | 2022 | 2021 |
| Rental value, +/- 5% | 1,358 / -1,365 | 1,367 / -1,377 | 1,245 / -1,245 |
| Rental value, +/- 50 SEK/sqm | 1,070 / -1,070 | n/a | n/a |
| Discount rate, +/-0.25%-points | -1,133 / 1,282 | -1,324 / 1,533 | -1,288/1,536 |
| Yield requirements, +/-0.25%-points | -1,182 / 1,356 | -1,403 / 1,656 | -1,342 / 1,604 |
| Operating costs, +/- 5% | -492 / 485 | n/a | n/a |
| Operating costs, +/- 50 SEK/sqm | -1,026 / 1,026 | n/a | n/a |

The table above provides a simplified illustration as a single parameter is unlikely to change in isolation. The table below illustrates the effect of changing several variables simultaneously.

| SEK million | 2023 | 2022 | 2021 |
|---|------------|------|------|
| Rental value +/-5% and operating costs +/-5% | 886 / -880 | n/a | n/a |

In 2023, Sveafastigheter has expanded the sensitivity analysis to include several parameters. The sensitivity analysis for these parameters is missing for the comparison years 2021 and 2022.

Note 15 Equipment

| | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|----------------------------------|------------|------------|------------|
| Opening cost | 3 | 11 | 3 |
| Acquisitions for the year | 1 | 0 | 8 |
| Sales and disposals | 0 | -8 | 0 |
| Closing amortized cost | 4 | 3 | 11 |
| Opening depreciation | -3 | -1 | 0 |
| Depreciation for the year | -1 | -1 | -1 |
| Closing accumulated amortization | -4 | -3 | -1 |
| Closing carrying amount | 1 | 0 | 10 |

Note 16 Shares in associated companies/
joint ventures

Accounting principle

Companies in which the Group exercises a significant but not controlling influence are reported as an associated company. This is presumed to be the case when the holding amounts to at least 20 and a maximum of 50 percent of the votes.

Joint arrangements mean companies in which the Group, together with other parties through agreements, has a controlling influence over the operations. A holding in a joint arrangement is classified either as a joint operation or as a joint venture, depending on the rights and obligations that the investor has under the contract. In the Group, the holdings have been classified as joint ventures mainly because the Group is entitled to the net assets instead of direct rights to assets and commitments in liabilities. Associated companies and joint ventures are reported according to the equity method.

The carrying amounts are tested every balance sheet date to assess if there are indications of impairment requirements for the investment in an associated company or joint venture. If this is the case, a calculation is made of the impairment amount which corresponds to the difference between the recoverable amount and the reported value.

Sveafastigheter has only one joint venture, SBB Kåpan Bostad.

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|--|------------|------------|------------|
| Opening cost | 1,767 | 1,526 | 102 |
| Shareholders contribution | 350 | 500 | 923 |
| Percentage of result | -322 | -259 | 501 |
| Closing carrying amount, equity share | 1,795 | 1,767 | 1,526 |

Carrying amount and the Group's share of net assets

| SEK million | SBB Kåpan Bostad | | |
|--|------------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| Fixed assets | 6,997 | 6,380 | 5,992 |
| Cash and cash equivalents | 102 | 249 | 285 |
| Other current assets | 239 | 9 | 136 |
| Non-current financial liabilities | -945 | -2,700 | -2,254 |
| Other non-current liabilities | -402 | -347 | -665 |
| Current financial liabilities | -2,250 | 0 | 0 |
| Other current liabilities | -150 | -56 | -439 |
| Net assets | 3,591 | 3,535 | 3,055 |
| Group's share of net assets | 1,795 | 1,767 | 1,526 |
| Net sales | 233 | 159 | 102 |
| Operating and maintenance expenses | -62 | -74 | -50 |
| Central administration | -48 | -21 | -6 |
| Net financial items | -122 | -52 | -22 |
| Changes in value, properties/ financial instruments | -697 | -553 | 1,219 |
| Tax | 53 | 103 | -240 |
| Profit for the year | -644 | -438 | 1,003 |
| Other comprehensive income | - | - | - |
| Comprehensive income for the year | -644 | -438 | 1,003 |
| of which Group's share | -322 | -259 | 501 |

| Reconciliation of carrying amount, SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|---|--------------|--------------|--------------|
| Opening net assets | 3,615 | 3,053 | - |
| Acquisitions for the year | - | - | 1,850 |
| Contributions for the year | 700 | 1,000 | 200 |
| Profit for the year | -644 | -438 | 1,003 |
| Closing net assets | 3,671 | 3,615 | 3,053 |
| The Group's share in % | 50 | 50 | 50 |
| The Group's share in SEK million | 1,836 | 1,807 | 1,526 |
| Carrying amount | 1,795 | 1,767 | 1,526 |

Note 17 Financial instruments

Accounting principle

Classification and measurement of financial assets

The Group's financial assets consist of debt instruments, equity instruments and derivatives. Debt instruments are classified at amortized cost, equity instruments and derivatives at fair value.

Debt instruments: The Group's debt instruments are classified at amortized cost and include: non-current receivables, rental receivables, other current receivables and cash and cash equivalents. The assets are covered by a loss reserve for expected credit losses; for further information, see "NOTE 22 – Financial risks".

Equity instruments: The Group's equity instruments consist of holdings in shares (listed and unlisted). All of the Group's equity instruments are measured at fair value through the income statement.

Derivatives: Classified at fair value through the income statement.

Classification and measurement of financial liabilities

The Group's financial liabilities comprise other liabilities and derivatives.



Note 17 Financial instruments, cont.

Other liabilities: The Group's debt instruments are classified at amortized cost and includes: liabilities to credit institutions, bond loans, other non-current liabilities, accounts payable, accrued expenses and other current liabilities.

Derivatives: The Group's derivatives are classified at fair value through the income statement.

Impairment of financial assets

The Group's financial assets, which are recognized at amortized cost, are subject to impairment for expected credit losses. Impairment for credit losses is forward looking and a loss reserve is made as early as initial recognition when there is an exposure to credit risk.

Rental receivables: The simplified model is applied to the Group's rental receivables. A loss reserve is reported, in the simplified model, for the expected residual maturity of the receivable. The Group bases the valuation of expected credit losses on historical customer losses combined with forward-looking factors.

Other financial assets at amortized cost: For receivables from associated companies/joint ventures and other current receivables, an individual assessment is performed for each counterparty to identify impairment needs, where consideration is taken to historical, current and forward-looking information. In the valuation of expected credit losses, the Group applies a method based on external credit rating. Expected credit losses are measured based on the probability of default, loss given default and the exposure in the event of default. The Group has defined default as when payment of the receivable is 15 days delayed or more, or if other factors indicate that the payment default is present. A significant increase in credit risk is based on whether payment is 31 days late or more. The financial assets are recognized in the balance sheet as net of gross value and loss reserve. Changes in the loss reserve are reported under operating costs in the income statement.

Financial assets and liabilities per valuation category

The table below presents the Group's financial assets and liabilities, as at carrying amount and fair value, classified in the categories according to IFRS 9.

| SEK million | Financial assets/ liabilities measured at fair value through profit or loss | | | Financial assets/ liabilities measured at amortized cost | | |
|--|---|------------|------------|--|---------------|---------------|
| | 2023-12-31 | 2022-12-31 | 2021-12-31 | 2023-12-31 | 2022-12-31 | 2021-12-31 |
| Financial assets | | | | | | |
| Receivables from associated companies/joint ventures | - | - | - | 2 | 2 | 260 |
| Derivatives | 1 | 2 | - | - | - | - |
| Financial non-current assets at fair value | 35 | 139 | 259 | - | - | - |
| Other non-current receivables | - | - | - | 24 | 1,584 | 1,026 |
| Rental receivables | - | - | - | 38 | 15 | 309 |
| Current receivables owners | - | - | - | 4,029 | 3,312 | 1,942 |
| Other current receivables | - | - | - | 333 | 200 | 127 |
| Cash and cash equivalents | - | - | - | 316 | 2,913 | 2,903 |
| Total | 36 | 142 | 259 | 4,742 | 8,025 | 6,567 |
| Financial liabilities | | | | | | |
| Liabilities to credit institutions | - | - | - | 8,393 | 8,377 | 6,315 |
| Liabilities to owners | - | - | - | 8,363 | 10,423 | 7,744 |
| Other non-current liabilities | - | - | - | 159 | 100 | 85 |
| Accounts payable | - | - | - | 54 | 118 | 55 |
| Other current liabilities | - | - | - | 54 | 505 | 1,124 |
| Total | - | - | - | 17,023 | 19,523 | 15,323 |

Credit risk exposure

The maximum credit risk of the assets consists of the net amounts of the reported values in the table above. The Group has not received any pledged assets for the financial net assets.

Financial fixed assets at fair value

The item refers to holding in both listed and unlisted shares and other securities valued at fair value with a change in value in the result. The holdings have thus been valued in accordance with both level 1 and level 3. The listed shares have been valued at a quoted price on the market. For unlisted shares and other securities, input data such as recent issues and other unobservable data have been used to determine the value.

The change in financial assets is presented below.

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|----------------------------|------------|------------|------------|
| Opening carrying amount | 142 | 259 | 32 |
| New acquisitions | - | 2 | 227 |
| Unrealized change in value | -106 | -120 | - |
| Closing carrying amount | 36 | 142 | 259 |

Interest-bearing receivables and liabilities

For the purpose of disclosure, a fair value of interest-bearing receivables and liabilities is calculated by discounting future cash flows of capital and interest discounted at current market interest rates.

Current receivables

For the following current receivables and liabilities, the reported value is deemed to reflect fair value: rent receivables, other current receivables, accounts payable, and other current liabilities. No classification into levels in accordance with the valuation hierarchy is made for these items.

Measurement at fair value

The table presents the Group's financial instruments measured at fair value based on the classification in the fair value hierarchy.



Note 17 Financial instruments, cont.

| SEK million | 2023-12-31 | | | 2022-12-31 | | | 2021-12-31 | | |
|--------------------------------------|---|-----------------------------------|-------------------------------|---|-----------------------------------|-------------------------------|---|-----------------------------------|-------------------------------|
| | Listed prices on active markets (Level 1) | Other observable inputs (Level 2) | Unobservable inputs (Level 3) | Listed prices on active markets (Level 1) | Other observable inputs (Level 2) | Unobservable inputs (Level 3) | Listed prices on active markets (Level 1) | Other observable inputs (Level 2) | Unobservable inputs (Level 3) |
| Assets at fair value | | | | | | | | | |
| Financial fixed assets at fair value | 35 | - | - | 139 | - | - | 259 | - | - |
| Derivatives | - | 1 | - | - | 2 | - | - | - | - |

No movement occurred between the levels in the fair value hierarchy during the current periods.

Note 18 Other receivables

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|------------------------------------|------------|------------|------------|
| Tax account | 41 | 16 | 16 |
| Receivables, property transactions | 266 | 168 | 65 |
| Other receivables | 26 | 17 | 45 |
| Carrying amount | 333 | 200 | 127 |

Note 19 Prepaid expenses and accrued income

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|----------------------------|------------|------------|------------|
| Accrued income | 0 | 6 | 2 |
| Prepaid acquisition costs | - | 1 | 0 |
| Prepaid project costs | 11 | 5 | 2 |
| Prepaid operating expenses | 1 | 3 | 13 |
| Prepaid insurance | 0 | 1 | 1 |
| Other | 13 | 27 | 11 |
| Carrying amount | 26 | 43 | 30 |

Note 20 Cash and cash equivalents

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|------------------------|------------|--------------|--------------|
| Bank balances | 316 | 2,913 | 2,904 |
| Carrying amount | 316 | 2,913 | 2,904 |

Note 21 Equity

Change in share capital, SEK

| | Number of shares | Share capital |
|-------------------------------------|------------------|---------------|
| Opening balances, 2021-01-01 | - | - |
| Closing balances, 2021-12-31 | - | - |
| Opening balances, 2022-01-01 | - | - |
| Closing balances, 2022-12-31 | - | - |
| Opening balances, 2023-01-01 | - | - |
| Establishment | 25,000 | 25,000 |
| Closing balances, 2023-12-31 | 25,000 | 25,000 |

Note 22 Financial risks

Financial risk management

Through its operations, the Group is exposed to various types of financial risks. Financial risks refer to fluctuations in the Group's earnings and cash flow as a result of changes in, for example, interest rates. Sveafastigheter is primarily exposed to liquidity risk, financing risk, credit risk and interest rate risk. Sveafastigheter's financial risks were managed in 2021, 2022 and 2023 as part of the SBB's financial risk management. The board of directors of SBB has established several policies to monitor and manage the financial risks attributable to the SBB group's operations. SBB's financial policy for managing financial risks has been developed and approved by SBB's board of directors. The finance policy forms a framework of guidelines and rules and defines the objectives for the financing activities. The overall objective of the financing activities is to:

- Achieve the best possible financial net within the framework of the decided risk level and given risk limits, presented in the income statement as Profit from financial items.
- Identify and ensure good management of the financial risks arising.
- Ensure good payment preparedness for meeting payment obligations at any time.
- Ensure access to the required funding at the lowest possible cost within the agreed risk level.
- Ensure that the finance operations are carried out with good internal control.

Liquidity and financing risk

Liquidity risk refers to the risk of inadequate liquidity to cover future payment obligations. Liquidity forecasts are made continuously to assess capital requirements. A liquidity reserve is kept available to safeguard Sveafastigheter's current payment capacity. Financing risk is defined as the risk of not having access to funds for refinancing, investments and other payments, or to have access to them only at increased cost. By diversifying the loans' maturity structure, funding sources and lenders, and maintaining a well-balanced liquidity reserve, the risk can be minimized. Sveafastigheter seeks an even distribution of maturity dates and predictable financing. The Group's contractual repayments of financial liabilities are shown in the table below. Liabilities are included at earliest repayment period.

The individual companies within the Group that were previously part of the SBB group for the period 2021–2023 have not been leveraged but have been in a structure where loans with associated covenants have been in the parent holding company. All covenants have been met during the period.



Note 22 Financial risks cont.

The Group's contractual repayments of financial liabilities are shown in the table below.

| Maturity structure | 2023-12-31 | | | | Total |
|------------------------------------|--------------|------------|--------------|--------------|---------------|
| | <1 year | 1–3 year | 3–5 year | >5 year | |
| Liabilities to credit institutions | 2,646 | 175 | 4,266 | 1,306 | 8,393 |
| Non-current liabilities to owners | – | – | – | 8,265 | 8,265 |
| Other non-current liabilities | – | – | – | 159 | 159 |
| Lease liabilities | 2 | 3 | 3 | 44 | 51 |
| Accounts payable | 54 | – | – | – | 54 |
| Current liabilities to owners | 98 | – | – | – | 98 |
| Other current liabilities | 54 | – | – | – | 54 |
| Total | 2,854 | 178 | 4,269 | 9,774 | 17,075 |

| Maturity structure | 2022-12-31 | | | | Total |
|------------------------------------|--------------|--------------|--------------|---------------|---------------|
| | <1 year | 1–3 year | 3–5 year | >5 year | |
| Liabilities to credit institutions | 140 | 1,523 | 4,076 | 2,638 | 8,377 |
| Non-current liabilities to owners | – | – | – | 8,153 | 8,153 |
| Other non-current liabilities | – | – | – | 100 | 100 |
| Lease liabilities | 1 | 2 | 2 | 34 | 39 |
| Accounts payable | 118 | – | – | – | 118 |
| Current liabilities to owners | 2,270 | – | – | – | 2,270 |
| Other current liabilities | 505 | – | – | – | 505 |
| Total | 3,034 | 1,525 | 4,078 | 10,925 | 19,563 |

| Maturity structure | 2021-12-31 | | | | Total |
|------------------------------------|--------------|------------|-----------|---------------|---------------|
| | <1 year | 1–3 year | 3–5 year | >5 year | |
| Liabilities to credit institutions | 90 | 948 | 77 | 5,200 | 6,315 |
| Non-current liabilities to owners | – | – | – | 5,600 | 5,600 |
| Other non-current liabilities | – | – | – | 85 | 85 |
| Lease liabilities | 1 | 1 | 1 | 24 | 27 |
| Accounts payable | 55 | – | – | – | 55 |
| Current liabilities to owners | 2,144 | – | – | – | 2,144 |
| Other current liabilities | 1,124 | – | – | – | 1,124 |
| Total | 3,414 | 949 | 78 | 10,909 | 15,350 |

Liabilities to owners have been settled in 2024 by converting them to shareholder contributions, and considering this, information corresponding to the above is not provided for these loans.

Credit risk

Credit risk is defined as the risk that counterparties, both financial and commercial, are not able to fulfil their obligations in due time or offer security for completion. In the financial operations, the objective is to actively spread the risk of capital being lost when a counterparty is unable to fulfil its obligations. Another credit risk is that Sveafastigheter's tenants not being able to fulfil their obligations. The Group has established guidelines to ensure that the tenants have a suitable credit background, and the credit losses are small in relation to the Group's sales. The assessment has been made that there has been no significant increase in credit risk for any of the Group's financial assets. The counterparties are without a credit risk rating, except for cash and cash equivalents where the counterparties have the credit rating of AA- and A.

The maturity structure for rental receivables on the balance sheet date is given below.

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|---------------------------------------|------------|------------|------------|
| Rental receivables not overdue | 18 | 14 | 308 |
| Overdue rental receivables 1–30 days | 3 | 0 | 0 |
| Overdue rental receivables 31–90 days | 4 | 0 | 0 |
| Overdue rental receivables >90 days | 17 | 2 | 1 |
| Total rental receivables | 41 | 16 | 310 |

| Provision for rental receivables | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|--|------------|------------|------------|
| Opening carrying amount | –1 | –1 | –1 |
| Provisions | –4 | 0 | 0 |
| Amounts written off (credit losses recorded) | 0 | 1 | 0 |
| Recovered, previously provisioned | 0 | 0 | 0 |
| Total | –4 | –1 | –1 |
| Closing carrying amount | 38 | 15 | 309 |

Receivables mainly consist of rental receivables for which the Group has chosen to apply the simplified method for reporting expected credit losses according to IFRS 9. This means that expected credit losses are reserved for the remaining maturity, which is expected to be less than one year for all receivables above. The Group reserves for expected credit losses based on historical information on established customer losses in combination with taking into account known information about the counterparty and forward-looking information. Sveafastigheter writes off a receivable when there is no longer any expectation of receiving payment and active measures for receiving payment have been terminated. The above shows the financial assets for which the Group has reserved expected credit losses. In addition, the Group also monitors reservation requirements for other financial instruments, such as cash and cash equivalents, and for the parent company also internal receivables. Sveafastigheter applies a rating-based method in combination with other known information and forward-looking factors for assessing expected credit losses. In cases where the amounts are not deemed to be insignificant, a provision is made for expected credit losses for these financial instruments.



Note 22 Financial risks cont.

Interest rate risk

Interest rate risk is defined as the risk of negative effects for Sveafastigheter of developments in the interest rate market. This manifests partly as current interest expenses for loans and partly as market value changes on derivatives in the form of interest rate swaps. The focus is primarily on the potential risk in Sveafastigheter's ongoing interest expenses. The objective in managing the interest rate risk is to safeguard a desired stability in Sveafastigheters's total cash flows. Stable cash flow development is of great importance in supporting property investments

and meeting expectations from creditors and other external stakeholders. Within the framework of the selected strategy and within permissible deviations, a long-term optimization of financial cash flows is sought. The interest rate risk strategy comprises a well-balanced mix of floating and fixed interest maturities. In selecting the strategy, the sensitivity of Sveafastigheters's total cash flows is taken into account, compared with the development of the interest rate market over a time horizon of several years. The average fixed interest term was 1.93 years at end of the year (2.46 and 3.77).

The interest maturity structure is reported below.

| Interest maturity structure SEK million | 2023-12-31 | | 2022-12-31 | | 2021-12-31 | |
|--|--------------|------------|--------------|------------|--------------|------------|
| | Interest due | Share, % | Interest due | Share, % | Interest due | Share, % |
| < 1 year | 4,103 | 59 | 4,086 | 64 | 2,238 | 40 |
| < 2 years | 215 | 2 | - | - | - | - |
| < 3 years | 75 | 1 | 215 | 2 | - | - |
| < 4 years | 4,000 | 38 | 76 | 1 | - | - |
| < 5 years | - | - | 4,000 | 34 | 77 | 1 |
| > 5 years | - | - | - | - | 4,000 | 59 |
| Total | 8,393 | 100 | 8,377 | 100 | 6,315 | 100 |

Liabilities to owners have been settled in 2024 by conversion to shareholder contributions, which means that the loans will not affect Sveafastigheter's future interest rate risk. In view of this, it is not considered essential to provide detailed information regarding the interest rate risk for liabilities to owners for the historical years 2021–2023.

Note 23 Other liabilities

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|---------------------------------------|------------|-------------|---------------|
| Value added tax | -1 | 0 | -7 |
| Liabilities personnel costs | -4 | -1 | -1 |
| Current liabilities to joint ventures | - | - | -24 |
| Other current liabilities | -49 | -504 | -1,092 |
| Carrying amount | -54 | -505 | -1,124 |

Note 24 Accrued expenses and prepaid income

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|-------------------------|-------------|-------------|-------------|
| Accrued personnel costs | -10 | -4 | -5 |
| Accrued operating costs | -56 | -40 | -30 |
| Accrued interest | -10 | -11 | -4 |
| Unpaid stamp duty | -4 | -2 | -2 |
| Prepaid rental income | -90 | -92 | -64 |
| Other accrued expenses | -13 | -20 | -38 |
| Carrying amount | -183 | -169 | -142 |

Note 25 Liabilities attributable to financing activities

| SEK million | 2023-01-01 | Non-cash flow transactions | | 2023-12-31 |
|------------------------|---------------|----------------------------------|--|---------------|
| | | Transactions affecting cash flow | Acquisitions/transfers of assets and liabilities | |
| External liabilities | 8,871 | -1,402 | 924 | 8,393 |
| Liabilities to owners | 6,160 | 1,242 | -3,068 | 4,334 |
| Carrying amount | 15,031 | -160 | -2,144 | 12,727 |

| SEK million | 2022-01-01 | Non-cash flow transactions | | 2022-12-31 |
|------------------------|---------------|----------------------------------|--|---------------|
| | | Transactions affecting cash flow | Acquisitions/transfers of assets and liabilities | |
| External liabilities | 7,379 | 1,163 | 329 | 8,871 |
| Liabilities to owners | 4,227 | 1,912 | -52 | 6,087 |
| Carrying amount | 11,606 | 3,075 | 277 | 14,958 |

| SEK million | 2021-01-01 | Non-cash flow transactions | | 2021-12-31 |
|------------------------|--------------|----------------------------------|--|---------------|
| | | Transactions affecting cash flow | Acquisitions/transfers of assets and liabilities | |
| External liabilities | 4,098 | 2,010 | 1,271 | 7,379 |
| Liabilities to owners | 1,550 | 7,105 | -3,877 | 4,778 |
| Carrying amount | 5,648 | 9,115 | -2,606 | 12,157 |

The item Liabilities to owners comprise Current and Non-current liabilities to owners, less Current and Non-current receivables owners.



Note 26 Acquisition of subsidiaries less cash and cash equivalents

| SEK million | 2023 |
|---|---------------|
| Investment properties | 2,007 |
| Cash and cash equivalents | 9 |
| Other assets and receivables | 27 |
| Acquired assets | 2,043 |
| Interest-bearing liabilities | 607 |
| Other non-current and current liabilities | 98 |
| Acquired net assets | 1,338 |
| Purchase price corresponding to 100% of net assets | -1,338 |
| Less: Previously acquired shares | 827 |
| Purchase price paid in cash | -511 |
| Acquired cash and cash equivalents | 9 |
| Repayment of liabilities arising from the acquisition of net assets | -509 |
| Total | -1,011 |
| SEK million | 2022 |
| Investment properties | 2,049 |
| Cash and cash equivalents | 9 |
| Other assets and receivables | 2 |
| Acquired assets | 2,060 |
| Interest-bearing liabilities | 330 |
| Other non-current and current liabilities | 18 |
| Acquired net assets | 1,713 |
| Purchase price corresponding to 100% of net assets | -1,713 |
| Less: Paid with shares | 6 |
| Less: Previously acquired shares | 423 |
| Purchase price paid in cash | -1,284 |
| Acquired cash and cash equivalents | 9 |
| Repayment of liabilities arising from the acquisition of net assets | -428 |
| Total | -1,704 |
| SEK million | 2021 |
| Investment properties | 7,234 |
| Cash and cash equivalents | 41 |
| Other assets and receivables | 68 |
| Acquired assets | 7,344 |
| Interest-bearing liabilities | 558 |
| Other non-current and current liabilities | 2,697 |
| Acquired net assets | 4,088 |
| Purchase price corresponding to 100% of net assets | -4,088 |
| Less: Paid with shares | 258 |
| Less: Minority | 117 |
| Less: Previously acquired shares | 882 |
| Purchase price paid in cash | -2,831 |
| Acquired cash and cash equivalents | 41 |
| Repayment of liabilities arising from the acquisition of net assets | -3,097 |
| Total | -5,887 |

Note 27 Pledged assets

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|---------------------------|--------------|--------------|--------------|
| Property mortgages | 8,662 | 8,600 | 6,271 |
| Shares in group companies | - | - | - |
| | 8,662 | 8,600 | 6,271 |

Note 28 Contingent liabilities

There are no commitments.

Note 29 Related party transactions

Transactions between Sveafastigheter AB (publ) and its subsidiaries have been eliminated in the Group and are not reported in this note.

Transactions with Samhällsbyggnadsbolaget i Norden AB

| SEK million | 2023 | 2022 | 2021 |
|---------------------------------|------|------|------|
| Purchase of management services | -77 | -65 | -38 |
| Interest costs | -247 | -158 | -35 |

Outstanding balances

| SEK million | 2023-12-31 | 2022-12-31 | 2021-12-31 |
|-------------------------------|------------|------------|------------|
| Other non-current receivables | - | 1,024 | 1,024 |
| Accounts receivable | - | - | 305 |
| Other current receivables | 4,029 | 3,312 | 1,942 |
| Non-current liabilities | -8,265 | -8,153 | -5,600 |
| Accounts payable | - | - | -4 |
| Other current liabilities | -98 | -2,270 | -2,144 |

Transactions with associated companies and joint ventures

| SEK million | 2023 | 2022 | 2021 |
|--------------------------------|------|------|------|
| Outstanding receivable/payable | 2 | 2 | 260 |
| Invoiced management services | 29 | 30 | 16 |

**Note 30** Companies and properties included in the combined financial statements

The following companies are included in the combined financial statements as of December 31, 2023. All companies are in Sweden.

| Reg.No | Name | Share |
|-------------|--|-------|
| 559057-0619 | AB Industricentralen ICS Sländan 2 | 100% |
| 559114-4240 | AB Industricentralen Nynäshamn 2 | 100% |
| 559114-4257 | AB Industricentralen Nynäshamn Telegrafan 21 | 100% |
| 556900-0010 | Akalla Centrumfastigheter AB | 100% |
| 559161-9936 | Aspuddens Husentreprenad AB | 100% |
| 556727-3643 | Billesholm Invest AB | 100% |
| 559105-9976 | Britsarvsskolan 6 i Falun AB | 100% |
| 559216-8610 | Discus Utveckling AB | 100% |
| 559181-7266 | Eskilstuna 5 AB | 100% |
| 559267-6406 | Fastighets AB Plåtparet | 100% |
| 559114-7938 | Fastighets AB Sunrutas | 100% |
| 559045-5068 | Fastighets AB Wiberg | 100% |
| 556064-4105 | Fastighetsaktiebolaget Persborg | 100% |
| 559220-6964 | Fastighetsaktiebolaget Stestu | 100% |
| 559229-6551 | Fastighetsutveckling IB 101 AB | 100% |
| 559341-6984 | Fastighetsutveckling ib 116 AB | 100% |
| 559338-9751 | FL Årby Norra III AB | 100% |
| 559004-1728 | Gimmel Söderhamn AB | 100% |
| 559347-1989 | IB Bostad 105 AB | 100% |
| 559347-1997 | IB Bostad 106 AB | 100% |
| 559070-4713 | IB Bostad 36 AB | 100% |
| 559266-0780 | IB Bostad 81 AB | 100% |
| 559266-0798 | IB Bostad 82 AB | 100% |
| 559266-0806 | IB Bostad 83 AB | 100% |
| 559266-0822 | IB Bostad 85 AB | 100% |
| 559266-0830 | IB Bostad 86 AB | 100% |
| 559266-0848 | IB Bostad 87 AB | 100% |
| 559266-0855 | IB Bostad 88 AB | 100% |
| 559266-0863 | IB Bostad 89 AB | 100% |
| 559266-0871 | IB Bostad 90 AB | 100% |
| 559266-0889 | IB Bostad 91 AB | 100% |
| 559266-0897 | IB Bostad 92 AB | 100% |
| 559266-0905 | IB Bostad 93 AB | 100% |
| 559314-1442 | IB Bostad 97 AB | 100% |
| 559079-3625 | IB Bostad Borlänge 1 AB | 100% |
| 556974-0367 | IB Sundsvall Holding AB | 100% |
| 559287-3797 | Kasernhöjden Utveckling 1 AB | 100% |
| 559062-5835 | Kullen i Ulricehamn AB | 100% |
| 559242-8477 | Nytorpsgårde Utveckling AB | 100% |
| 559368-3559 | Samhäll 124 AB | 100% |
| 559374-8642 | Samhäll 132 AB | 100% |
| 559457-5093 | Samhäll 140 AB | 100% |
| 559070-4721 | Samhäll 39 AB | 100% |
| 559152-5307 | Samhäll 63 AB | 100% |
| 559157-9866 | Samhäll 70 AB | 100% |
| 559162-1221 | Samhäll 72 AB | 100% |
| 559185-5654 | Samhäll 82 AB | 100% |
| 559225-1168 | Samhäll 94 AB | 100% |
| 559225-6928 | SBB Arvid AB | 100% |
| 969678-0395 | SBB Barlasten 4 Kommanditbolag | 100% |
| 559323-8255 | SBB BARNMORSKAN AB | 100% |
| 556729-9853 | SBB Bergsjön AB | 100% |
| 559152-8756 | SBB Cykeln 3 AB | 100% |
| 556902-3020 | SBB Eskilstuna 3 AB | 100% |
| 556674-7613 | SBB Fastighets AB Tuletorget | 100% |

| Reg.No | Name | Share |
|-------------|-------------------------------------|-------|
| 556768-2033 | SBB Fazenda AB | 100% |
| 916563-7035 | SBB Fjällnåset 14 Kommanditbolag | 100% |
| 556813-9249 | SBB Fjärilen 8 AB | 100% |
| 969677-9181 | SBB Galjonsbilden 28 Kommanditbolag | 100% |
| 559340-1226 | SBB Halmstad 1 AB | 100% |
| 559340-1218 | SBB Halmstad 5 AB | 100% |
| 559408-9921 | SBB Holdco 5.2 AB | 100% |
| 556883-5515 | SBB Hov AB | 100% |
| 556436-7000 | SBB Höganäs 2 AB | 100% |
| 556720-6247 | SBB Höganäs 5 AB | 100% |
| 556851-0902 | SBB Höganäs Bostäder AB | 100% |
| 559313-5964 | SBB Höganäs Mars Lejonet AB | 100% |
| 556667-8842 | SBB i Avesta AB | 100% |
| 556564-9828 | SBB i Södertälje 1 AB | 100% |
| 556717-0062 | SBB i Södertälje 2 AB | 100% |
| 556588-2841 | SBB i Tierp AB | 100% |
| 559334-4087 | SBB Idun Tumba AB | 100% |
| 559439-9296 | SBB Ingeborgbo 47:1 | 100% |
| 559202-8830 | SBB Jorsön AB | 100% |
| 556586-2199 | SBB Karlskrona IB2 AB | 100% |
| 559324-0194 | SBB Karlstad 2 Holding AB | 100% |
| 559190-8289 | SBB KLANGSÅGEN MARK AB | 100% |
| 559225-6902 | SBB Korsbacka AB | 100% |
| 559149-4827 | SBB Korsnäs-Hosjö AB | 100% |
| 559183-6043 | SBB Kvarnluckan AB | 100% |
| 556442-9206 | SBB Leran AB | 100% |
| 969661-1046 | SBB Möllan Handelsbolag | 100% |
| 556516-1303 | SBB Mörrum AB | 100% |
| 556686-3493 | SBB Nacka 2 AB | 100% |
| 556707-4504 | SBB Nacka 3 AB | 100% |
| 556810-8517 | SBB Nackagubb AB | 100% |
| 556685-4096 | SBB Neptun AB | 100% |
| 559114-5064 | SBB Nynäshamn Telegrafan Holding AB | 100% |
| 556697-5107 | SBB Olofström AB | 100% |
| 559191-4691 | SBB Olympia 14-15 AB | 100% |
| 556514-2964 | SBB Pallas 44-71 AB | 100% |
| 559297-0353 | SBB Parkering AB | 100% |
| 559204-0462 | SBB Pelaren AB | 100% |
| 916898-6546 | SBB Priorn 6 Handelsbolag | 100% |
| 559449-4329 | SBB Resico AB | 100% |
| 559449-4337 | SBB Resico Services AB | 100% |
| 559225-6936 | SBB Sandhammaren AB | 100% |
| 556693-9491 | SBB Semil AB | 100% |
| 559225-6910 | SBB Servitutet AB | 100% |
| 559090-9668 | SBB Sländan Holding AB | 100% |
| 559206-2524 | SBB Stataren 1 AB | 100% |
| 556828-3138 | SBB Stataren AB | 100% |
| 556925-2017 | SBB Stora Norregatan 22 AB | 100% |
| 559345-4225 | SBB Storken AB | 100% |
| 969633-7709 | SBB Vallentuna Kommanditbolag | 100% |
| 559199-5153 | SBB Varberg AB | 100% |
| 559146-6056 | SBB Verkö AB | 100% |
| 916898-6553 | SBB Väpnaren 6 Handelsbolag | 100% |
| 559201-9169 | SBB Årby Norra I AB | 100% |
| 559327-2031 | SBB Årby Norra II AB | 100% |
| 559440-7644 | SBB Älvhult Emmekalv AB | 100% |
| 559167-0772 | Segersälls Fastighets AB | 100% |
| 559131-3563 | Sigtuna Steninge 1:182 och 1:183 AB | 100% |
| 559108-5070 | SLUV AB | 100% |
| 556879-9315 | Sollentuna Tallskogen AB | 100% |
| 556984-1660 | SSM Hold E AB | 100% |
| 559022-3235 | Ssm Kista Fastighets AB | 100% |



Note 30 Companies and properties included in the combined financial statements, cont.

| Reg.No | Name | Share | Reg.No | Name | Share |
|-------------|--|-------|-------------|--|-------|
| 556878-8268 | Studentbacken AB | 100% | 559335-6685 | Sveafastigheter Bostadsutveckling XIII AB | 100% |
| 556975-6389 | Studentbacken Holding 1 AB | 100% | 559376-6818 | Sveafastigheter Bostadsutveckling XIV AB | 100% |
| 556975-9136 | Studentbacken Sågtorp AB | 100% | 559218-8444 | Sveafastigheter Lägenheter AB | 100% |
| 556985-1271 | Sveafastigheter Bostad AB | 100% | 559223-3927 | Sveafastigheter Lägenheter H1 AB | 100% |
| 559335-6651 | Sveafastigheter Bostad Amaryllis BR AB | 100% | 559273-3124 | Sveafastigheter Sothönan Norra Utveckling AB | 100% |
| 559256-3992 | Sveafastigheter Bostad Barnbo AB | 100% | 559169-8583 | Södra Hallsta Utveckling AB | 100% |
| 559171-7839 | Sveafastigheter Bostad Bollmoravägen AB | 100% | 559276-5563 | Unobo AB | 100% |
| 559229-3921 | Sveafastigheter Bostad BR Hallsta AB | 100% | 556886-6395 | Unobo Bajonetten AB | 100% |
| 559335-6669 | Sveafastigheter Bostad BR Riksbys AB | 100% | 556684-7116 | Unobo Egna Fastigheter Trelleborg AB | 100% |
| 559376-6883 | Sveafastigheter Bostad Bro AB | 100% | 559023-9199 | Unobo Eklunda AB | 100% |
| 559256-4024 | Sveafastigheter Bostad Bromsten AB | 100% | 556897-8232 | Unobo ESM Nyköping AB | 100% |
| 559235-5001 | Sveafastigheter Bostad Grånby AB | 100% | 559106-8894 | Unobo Fastigheter Dalhem AB | 100% |
| 559122-6047 | Sveafastigheter Bostad Hagsåtra AB | 100% | 556748-3903 | Unobo Hem i Umeå AB | 100% |
| 559235-4996 | Sveafastigheter Bostad Hagsåtra Junior AB | 100% | 559276-5571 | Unobo Holding 1 AB | 100% |
| 559256-4016 | Sveafastigheter Bostad Hanstavägen AB | 100% | 559281-0856 | Unobo Holding 15 AB | 100% |
| 559306-0477 | Sveafastigheter Bostad Hökerum AB | 100% | 559281-0864 | Unobo Holding 17 AB | 100% |
| 559122-5999 | Sveafastigheter Bostad Jordbro I AB | 100% | 559364-1656 | Unobo Holding 19 AB | 100% |
| 559122-6021 | Sveafastigheter Bostad Jordbro II AB | 100% | 559276-5621 | Unobo Holding 2 AB | 100% |
| 559122-6013 | Sveafastigheter Bostad Jordbro III AB | 100% | 559423-7322 | Unobo Holding 20 AB | 100% |
| 559080-4323 | Sveafastigheter Bostad Kristineberg AB | 100% | 559326-6348 | Unobo Holding 21 AB | 100% |
| 559256-4008 | Sveafastigheter Bostad Medsolsbacken AB | 100% | 559423-7314 | Unobo Holding 22 AB | 100% |
| 559141-1268 | Sveafastigheter Bostad Målaräng AB | 100% | 559277-2049 | Unobo Holding 7 AB | 100% |
| 559210-1967 | Sveafastigheter Bostad Nytorps Gärde AB | 100% | 559277-2098 | Unobo Holding 8 AB | 100% |
| 559335-6628 | Sveafastigheter Bostad Nytorps Gärde BR AB | 100% | 559277-2114 | Unobo Holding 9 AB | 100% |
| 556964-1342 | Sveafastigheter Bostad Oxbacken 2 AB | 100% | 559153-7831 | Unobo Hyresbostäder Drottninghög AB | 100% |
| 559301-4649 | Sveafastigheter Bostad Oxbacken AB | 100% | 559019-0228 | Unobo Hyresbostäder Höganäs AB | 100% |
| 559376-6859 | Sveafastigheter Bostad projekt Alfa AB | 100% | 559050-7967 | Unobo Hyresbostäder Motvikten AB | 100% |
| 559376-6867 | Sveafastigheter Bostad Projekt Beta AB | 100% | 559050-7959 | Unobo Hyresbostäder Orkestern AB | 100% |
| 559210-1975 | Sveafastigheter Bostad Riksbys AB | 100% | 559050-8056 | Unobo Hyresbostäder Storkåge AB | 100% |
| 556700-2067 | Sveafastigheter Bostad Räcksta AB | 100% | 559135-0722 | Unobo Hyresbostäder Sundsutsikten AB | 100% |
| 559122-6062 | Sveafastigheter Bostad Sarvträsk AB | 100% | 559115-8711 | Unobo Hyresbostäder Valeberget AB | 100% |
| 559301-4656 | Sveafastigheter Bostad Sekelporten 1 AB | 100% | 559182-0583 | Unobo Hälltorps Gård AB | 100% |
| 559122-6039 | Sveafastigheter Bostad Silver Life HR AB | 100% | 559212-5750 | Unobo Hästhandlaren AB | 100% |
| 559235-4988 | Sveafastigheter Bostad Silver Life Ingarö AB | 100% | 556868-2545 | Unobo Lavinen AB | 100% |
| 559232-8768 | Sveafastigheter Bostad Sjöstadshöjden AB | 100% | 559276-5431 | Unobo Linköping Idrottsstjärnan AB | 100% |
| 559335-6610 | Sveafastigheter Bostad Sjöstadshöjden BR AB | 100% | 559276-5407 | UNOBO Linköping Lägerpumpen AB | 100% |
| 559171-7854 | Sveafastigheter Bostad Skivan AB | 100% | 559276-5415 | Unobo Linköping Nyponbusken AB | 100% |
| 559301-4714 | Sveafastigheter Bostad Sockenplan AB | 100% | 559276-5357 | Unobo Linköping Riket AB | 100% |
| 559335-6594 | Sveafastigheter Bostad Sockenplan BR AB | 100% | 559273-5103 | Unobo Linköping Risgrynet 1 AB | 100% |
| 559235-5084 | Sveafastigheter Bostad Sägverksgratan AB | 100% | 559273-5095 | Unobo Linköping Risgrynet 2 AB | 100% |
| 559171-7896 | Sveafastigheter Bostad Södra Hallsta AB | 100% | 559273-5087 | Unobo Linköping Riskornet AB | 100% |
| 559418-4730 | Sveafastigheter Bostad Södra Hallsta Radhus AB | 100% | 559276-5340 | Unobo Linköping Råknestickan AB | 100% |
| 559080-4299 | Sveafastigheter Bostad Ulleråker AB | 100% | 559351-8433 | Unobo Långmyran AB | 100% |
| 559210-1959 | Sveafastigheter Bostad Vaxholm AB | 100% | 559276-5217 | Unobo Morö Backe AB | 100% |
| 559301-4680 | Sveafastigheter Bostad Vårbergsvägen AB | 100% | 559240-0559 | Unobo Pilen 4 AB | 100% |
| 559171-7847 | Sveafastigheter Bostad Wättinge AB | 100% | 556722-1709 | Unobo Pilen 5 AB | 100% |
| 559301-4706 | Sveafastigheter Bostad Årstafältet AB | 100% | 559302-1701 | Unobo Puman 3 AB | 100% |
| 559122-6070 | Sveafastigheter Bostad Östberga AB | 100% | 559302-1685 | Unobo Puman 7 AB | 100% |
| 556985-1289 | Sveafastigheter Bostadsutveckling AB | 100% | 559354-4926 | Unobo Rovdjuret AB | 100% |
| 559080-4265 | Sveafastigheter Bostadsutveckling II AB | 100% | 556547-7550 | Unobo Stallgården i Höganäs AB | 100% |
| 559122-2921 | Sveafastigheter Bostadsutveckling III AB | 100% | 556955-0766 | Unobo Traktören AB | 100% |
| 559122-2905 | Sveafastigheter Bostadsutveckling IV AB | 100% | 556456-6486 | Unobo Trollet AB | 100% |
| 559256-3984 | Sveafastigheter Bostadsutveckling IX AB | 100% | 559177-6645 | Unobo Önskemålet AB | 100% |
| 559131-3530 | Sveafastigheter Bostadsutveckling V AB | 100% | 556742-5912 | VR Bostad Norr 2 Fastighets AB | 100% |
| 559171-7946 | Sveafastigheter Bostadsutveckling VI AB | 100% | 556966-4476 | VR Södra Autopiloten 1 Fastighets AB | 100% |
| 559220-1015 | Sveafastigheter Bostadsutveckling VII AB | 100% | 556966-4484 | VR Södra Autopiloten 6 och 8 Fastighets AB | 100% |
| 559256-3976 | Sveafastigheter Bostadsutveckling VIII AB | 100% | 559147-6451 | Wättinge Utveckling AB | 100% |
| 559301-4672 | Sveafastigheter Bostadsutveckling X AB | 100% | | | |
| 559322-6664 | Sveafastigheter Bostadsutveckling XI AB | 100% | | | |
| 559335-6677 | Sveafastigheter Bostadsutveckling XII AB | 100% | | | |



Note 30 Companies and properties included in the combined financial statements, cont.

The following companies are included in the combined financial statements as of December 31, 2022. All companies are in Sweden.

| Reg. No. | Name | Share | Reg. No. | Name | Share |
|-------------|--|-------|-------------|---|-------|
| 559057-0619 | AB Industricentralen ICS Sländan 2 | 100% | 556564-9828 | SBB i Södertälje 1 AB | 100% |
| 559114-4240 | AB Industricentralen Nynäshamn 2 | 100% | 556717-0062 | SBB i Södertälje 2 AB | 100% |
| 559114-4257 | AB Industricentralen Nynäshamn Telegrafan 21 | 100% | 556588-2841 | SBB i Tierp AB | 100% |
| 556900-0010 | Akalla Centrumfastigheter AB | 100% | 559334-4087 | SBB Idun Tumba AB | 100% |
| 559161-9936 | Aspuddens Husentreprenad AB | 100% | 559439-9296 | SBB Ingeborgbo 47:1 | 100% |
| 556727-3643 | Billesholm Invest AB | 100% | 559202-8830 | SBB Jorsön AB | 100% |
| 559105-9976 | Britsarvsskolan 6 i Falun AB | 100% | 556586-2199 | SBB Karlskrona IB2 AB | 100% |
| 559216-8610 | Discus Utveckling AB | 100% | 559324-0194 | SBB Karlstad 2 Holding AB | 100% |
| 559181-7266 | Eskilstuna 5 AB | 100% | 559190-8289 | SBB KLANGSÅGEN MARK AB | 100% |
| 559267-6406 | Fastighets AB Plåtparet | 100% | 559225-6902 | SBB Korsbacka AB | 100% |
| 559114-7938 | Fastighets AB Sunrutas | 100% | 559149-4827 | SBB Korsnäs-Hosjö AB | 100% |
| 559045-5068 | Fastighets AB Wiberg | 100% | 559183-6043 | SBB Kvarnluckan AB | 100% |
| 556064-4105 | Fastighetsaktiebolaget Persborg | 100% | 556442-9206 | SBB Leran AB | 100% |
| 559220-6964 | Fastighetsaktiebolaget Stestu | 100% | 969661-1046 | SBB Möllan Handelsbolag | 100% |
| 559229-6551 | Fastighetsutveckling IB 101 AB | 100% | 556516-1303 | SBB Mörrum AB | 100% |
| 559341-6984 | Fastighetsutveckling ib 116 AB | 100% | 556686-3493 | SBB Nacka 2 AB | 100% |
| 559338-9751 | FL Årby Norra III AB | 100% | 556707-4504 | SBB Nacka 3 AB | 100% |
| 559004-1728 | Gimmel Söderhamn AB | 100% | 556810-8517 | SBB Nackagubb AB | 100% |
| 559347-1989 | IB Bostad 105 AB | 100% | 556685-4096 | SBB Neptun AB | 100% |
| 559347-1997 | IB Bostad 106 AB | 100% | 559114-5064 | SBB Nynäshamn Telegrafan Holding AB | 100% |
| 559070-4713 | IB Bostad 36 AB | 100% | 556697-5107 | SBB Olofström AB | 100% |
| 559266-0780 | IB Bostad 81 AB | 100% | 559191-4691 | SBB Olympia 14-15 AB | 100% |
| 559266-0798 | IB Bostad 82 AB | 100% | 556514-2964 | SBB Pallas 44-71 AB | 100% |
| 559266-0806 | IB Bostad 83 AB | 100% | 559297-0353 | SBB Parkering AB | 100% |
| 559266-0822 | IB Bostad 85 AB | 100% | 559204-0462 | SBB Pelaren AB | 100% |
| 559266-0830 | IB Bostad 86 AB | 100% | 916898-6546 | SBB Priorn 6 Handelsbolag | 100% |
| 559266-0848 | IB Bostad 87 AB | 100% | 559449-4329 | SBB Resico AB | 100% |
| 559266-0855 | IB Bostad 88 AB | 100% | 559449-4337 | SBB Resico Services AB | 100% |
| 559266-0863 | IB Bostad 89 AB | 100% | 559225-6936 | SBB Sandhamnaren AB | 100% |
| 559266-0871 | IB Bostad 90 AB | 100% | 556693-9491 | SBB Semil AB | 100% |
| 559266-0889 | IB Bostad 91 AB | 100% | 559225-6910 | SBB Servitutet AB | 100% |
| 559266-0897 | IB Bostad 92 AB | 100% | 559090-9668 | SBB Sländan Holding AB | 100% |
| 559266-0905 | IB Bostad 93 AB | 100% | 559206-2524 | SBB Stataren 1 AB | 100% |
| 559314-1442 | IB Bostad 97 AB | 100% | 556828-3138 | SBB Stataren AB | 100% |
| 559079-3625 | IB Bostad Borlänge 1 AB | 100% | 556925-2017 | SBB Stora Norregatan 22 AB | 100% |
| 556974-0367 | IB Sundsvall Holding AB | 100% | 559345-4225 | SBB Storken AB | 100% |
| 559287-3797 | Kasernhöjden Utveckling 1 AB | 100% | 969633-7709 | SBB Vallentuna Kommanditbolag | 100% |
| 559062-5835 | Kullen i Ulricehamn AB | 100% | 559199-5153 | SBB Varberg AB | 100% |
| 559242-8477 | Nytorpsgårde Utveckling AB | 100% | 559146-6056 | SBB Verkö AB | 100% |
| 559368-3559 | Samhäll 124 AB | 100% | 916898-6553 | SBB Väpnaren 6 Handelsbolag | 100% |
| 559374-8642 | Samhäll 132 AB | 100% | 559338-1774 | SBB Årby Norra Holding AB | 100% |
| 559457-5093 | Samhäll 140 AB | 100% | 559201-9169 | SBB Årby Norra I AB | 100% |
| 559070-4721 | Samhäll 39 AB | 100% | 559327-2031 | SBB Årby Norra II AB | 100% |
| 559152-5307 | Samhäll 63 AB | 100% | 559440-7644 | SBB Älvhult Emmekalv AB | 100% |
| 559157-9866 | Samhäll 70 AB | 100% | 559167-0772 | SBB Segersälls Fastighets AB | 100% |
| 559162-1221 | Samhäll 72 AB | 100% | 559131-3563 | Sigtuna Steninge 1:182 och 1:183 AB | 100% |
| 559185-5654 | Samhäll 82 AB | 100% | 559108-5070 | SLUV AB | 100% |
| 559225-1168 | Samhäll 94 AB | 100% | 556984-1660 | SSM Hold E AB | 100% |
| 559225-6928 | SBB Arvid AB | 100% | 556879-9315 | Sollentuna Tallskogen AB | 100% |
| 969678-0395 | SBB Barlasten 4 Kommanditbolag | 100% | 556878-8268 | Studentbacken AB | 100% |
| 559323-8255 | SBB BARNMORSKAN AB | 100% | 556975-6389 | Studentbacken Holding 1 AB | 100% |
| 556729-9853 | SBB Bergsjön AB | 100% | 556975-9136 | Studentbacken Sågtorp AB | 100% |
| 559152-8756 | SBB Cykeln 3 AB | 100% | 556985-1271 | Sveafastigheter Bostad AB | 100% |
| 556902-3020 | SBB Eskilstuna 3 AB | 100% | 559335-6651 | Sveafastigheter Bostad Amaryllis BR AB | 100% |
| 556674-7613 | SBB Fastighets AB Tuletorget | 100% | 559256-3992 | Sveafastigheter Bostad Barnbo AB | 100% |
| 556768-2033 | SBB Fazenda AB | 100% | 559171-7839 | Sveafastigheter Bostad Bollmoravägen AB | 100% |
| 916563-7035 | SBB Fjällnaset 14 Kommanditbolag | 100% | 559229-3921 | Sveafastigheter Bostad BR Hallsta AB | 100% |
| 556813-9249 | SBB Fjärilen 8 AB | 100% | 559335-6669 | Sveafastigheter Bostad BR Riksby AB | 100% |
| 969677-9181 | SBB Galjonsbilden 28 Kommanditbolag | 100% | 559376-6883 | Sveafastigheter Bostad Bro AB | 100% |
| 559340-1226 | SBB Halmstad 1 AB | 100% | 559256-4024 | Sveafastigheter Bostad Bromsten AB | 100% |
| 559340-1218 | SBB Halmstad 5 AB | 100% | 559235-5001 | Sveafastigheter Bostad Grånby AB | 100% |
| 559408-9921 | SBB Holdco 5.2 AB | 100% | 559122-6047 | Sveafastigheter Bostad Hagsåtra AB | 100% |
| 556883-5515 | SBB Hov AB | 100% | 559235-4996 | Sveafastigheter Bostad Hagsåtra Junior AB | 100% |
| 556436-7000 | SBB Höganäs 2 AB | 100% | 559256-4016 | Sveafastigheter Bostad Hanstavägen AB | 100% |
| 556720-6247 | SBB Höganäs 5 AB | 100% | 559306-0477 | Sveafastigheter Bostad Hökerum AB | 100% |
| 556851-0902 | SBB Höganäs Bostäder AB | 100% | 559122-5999 | Sveafastigheter Bostad Jordbro I AB | 100% |
| 559313-5964 | SBB Höganäs Mars Lejonet AB | 100% | 559122-6021 | Sveafastigheter Bostad Jordbro II AB | 100% |
| 556667-8842 | SBB i Avesta AB | 100% | 559122-6013 | Sveafastigheter Bostad Jordbro III AB | 100% |
| | | | 559080-4323 | Sveafastigheter Bostad Kristineberg AB | 100% |
| | | | 559256-4008 | Sveafastigheter Bostad Medsolsbacken AB | 100% |
| | | | 559141-1268 | Sveafastigheter Bostad Mäläräng AB | 100% |
| | | | 559210-1967 | Sveafastigheter Bostad Nytorps Gärde AB | 100% |



Note 30 Companies and properties included in the combined financial statements, cont.

| Reg. No. | Name | Share | Reg. No. | Name | Share |
|-------------|-------------------------------------|-------|-------------|--|-------|
| 559242-8477 | Nytorpsgårde Utveckling AB | 100% | 969633-7709 | SBB Vallentuna Kommanditbolag | 100% |
| 559368-3559 | Samhäll 124 AB | 100% | 559199-5153 | SBB Varberg AB | 100% |
| 559374-8642 | Samhäll 132 AB | 100% | 559146-6056 | SBB Verkö AB | 100% |
| 559457-5093 | Samhäll 140 AB | 100% | 916898-6553 | SBB Väpnaren 6 Handelsbolag | 100% |
| 559070-4721 | Samhäll 39 AB | 100% | 559338-1774 | SBB Årby Norra Holding AB | 100% |
| 559152-5307 | Samhäll 63 AB | 100% | 559201-9169 | SBB Årby Norra I AB | 100% |
| 559157-9866 | Samhäll 70 AB | 100% | 559327-2031 | SBB Årby Norra II AB | 100% |
| 559162-1221 | Samhäll 72 AB | 100% | 559440-7644 | SBB Älvehult Emmekalv AB | 100% |
| 559185-5654 | Samhäll 82 AB | 100% | 559167-0772 | Segersälls Fastighets AB | 100% |
| 559225-1168 | Samhäll 94 AB | 100% | 559131-3563 | Sigtuna Steninge 1:182 och 1:183 AB | 100% |
| 559225-6928 | SBB Arvid AB | 100% | 559169-8583 | Södra Hallsta Utveckling AB | 100% |
| 969678-0395 | SBB Barlasten 4 Kommanditbolag | 100% | 559108-5070 | SLUV AB | 100% |
| 559323-8255 | SBB BARNMORSKAN AB | 100% | 559022-3235 | Ssm Kista Fastighets AB | 100% |
| 556729-9853 | SBB Bergsjön AB | 100% | 556878-8268 | Studentbacken AB | 100% |
| 559152-8756 | SBB Cykeln 3 AB | 100% | 556975-6389 | Studentbacken Holding 1 AB | 100% |
| 556902-3020 | SBB Eskilstuna 3 AB | 100% | 556975-9136 | Studentbacken Sägtorp AB | 100% |
| 556674-7613 | SBB Fastighets AB Tuletorget | 100% | 556985-1271 | Sveafastigheter Bostad AB | 100% |
| 556768-2033 | SBB Fazenda AB | 100% | 559335-6651 | Sveafastigheter Bostad Amaryllis BR AB | 100% |
| 916563-7035 | SBB Fjällnåset 14 Kommanditbolag | 100% | 559256-3992 | Sveafastigheter Bostad Barnbo AB | 100% |
| 556813-9249 | SBB Fjärilen 8 AB | 100% | 559171-7839 | Sveafastigheter Bostad Bollmoravägen AB | 100% |
| 969677-9181 | SBB Galjonsbilden 28 Kommanditbolag | 100% | 559229-3921 | Sveafastigheter Bostad BR Hallsta AB | 100% |
| 559340-1226 | SBB Halmstad 1 AB | 100% | 559335-6669 | Sveafastigheter Bostad BR Riksby AB | 100% |
| 559340-1218 | SBB Halmstad 5 AB | 100% | 559376-6883 | Sveafastigheter Bostad Bro AB | 100% |
| 559408-9921 | SBB Holdco 5.2 AB | 100% | 559256-4024 | Sveafastigheter Bostad Bromsten AB | 100% |
| 556883-5515 | SBB Hov AB | 100% | 559235-5001 | Sveafastigheter Bostad Grånby AB | 100% |
| 556436-7000 | SBB Höganäs 2 AB | 100% | 559122-6047 | Sveafastigheter Bostad Hagsätra AB | 100% |
| 556720-6247 | SBB Höganäs 5 AB | 100% | 559235-4996 | Sveafastigheter Bostad Hagsätra Junior AB | 100% |
| 556851-0902 | SBB Höganäs Bostäder AB | 100% | 559256-4016 | Sveafastigheter Bostad Hanstavägen AB | 100% |
| 559313-5964 | SBB Höganäs Mars Lejonet AB | 100% | 559306-0477 | Sveafastigheter Bostad Hökerum AB | 100% |
| 556667-8842 | SBB i Avesta AB | 100% | 559122-5999 | Sveafastigheter Bostad Jordbro I AB | 100% |
| 556564-9828 | SBB i Södertälje 1 AB | 100% | 559122-6021 | Sveafastigheter Bostad Jordbro II AB | 100% |
| 556717-0062 | SBB i Södertälje 2 AB | 100% | 559122-6013 | Sveafastigheter Bostad Jordbro III AB | 100% |
| 556588-2841 | SBB i Tierp AB | 100% | 559080-4323 | Sveafastigheter Bostad Kristineberg AB | 100% |
| 559334-4087 | SBB Idun Tumba AB | 100% | 559256-4008 | Sveafastigheter Bostad Medsolsbacken AB | 100% |
| 559439-9296 | SBB Ingeborgbo 47:1 | 100% | 559141-1268 | Sveafastigheter Bostad Mäläräng AB | 100% |
| 559202-8830 | SBB Jorsön AB | 100% | 559210-1967 | Sveafastigheter Bostad Nytorps Gärde AB | 100% |
| 556586-2199 | SBB Karlskrona IB2 AB | 100% | 559335-6628 | Sveafastigheter Bostad Nytorps Gärde BR AB | 100% |
| 559324-0194 | SBB Karlstad 2 Holding AB | 100% | 556964-1342 | Sveafastigheter Bostad Oxbacken 2 AB | 100% |
| 559190-8289 | SBB KLANGSÅGEN MARK AB | 100% | 559301-4649 | Sveafastigheter Bostad Oxbacken AB | 100% |
| 559225-6902 | SBB Korsbacka AB | 100% | 559376-6859 | Sveafastigheter Bostad projekt Alfa AB | 100% |
| 559149-4827 | SBB Korsnäs-Hosjö AB | 100% | 559376-6867 | Sveafastigheter Bostad Projekt Beta AB | 100% |
| 559183-6043 | SBB Kvarnluckan AB | 100% | 559210-1975 | Sveafastigheter Bostad Riksby AB | 100% |
| 556442-9206 | SBB Leran AB | 100% | 556700-2067 | Sveafastigheter Bostad Räcksta AB | 100% |
| 969661-1046 | SBB Möllan Handelsbolag | 100% | 559122-6062 | Sveafastigheter Bostad Sarvträsk AB | 100% |
| 556516-1303 | SBB Mörrum AB | 100% | 559301-4656 | Sveafastigheter Bostad Sekelporten 1 AB | 100% |
| 556686-3493 | SBB Nacka 2 AB | 100% | 559122-6039 | Sveafastigheter Bostad Silver Life HR AB | 100% |
| 556707-4504 | SBB Nacka 3 AB | 100% | 559235-4988 | Sveafastigheter Bostad Silver Life Ingarö AB | 100% |
| 556810-8517 | SBB Nackagubb AB | 100% | 559232-8768 | Sveafastigheter Bostad Sjöstadshöjden AB | 100% |
| 556685-4096 | SBB Neptun AB | 100% | 559335-6610 | Sveafastigheter Bostad Sjöstadshöjden BR AB | 100% |
| 559114-5064 | SBB Nynäshamn Telegrafan Holding AB | 100% | 559171-7854 | Sveafastigheter Bostad Skivan AB | 100% |
| 556697-5107 | SBB Olofström AB | 100% | 559301-4714 | Sveafastigheter Bostad Sockenplan AB | 100% |
| 559191-4691 | SBB Olympia 14-15 AB | 100% | 559335-6594 | Sveafastigheter Bostad Sockenplan BR AB | 100% |
| 556514-2964 | SBB Pallas 44-71 AB | 100% | 559235-5084 | Sveafastigheter Bostad Sägverksgatan AB | 100% |
| 559297-0353 | SBB Parkering AB | 100% | 559171-7896 | Sveafastigheter Bostad Södra Hallsta AB | 100% |
| 559204-0462 | SBB Pelaren AB | 100% | 559418-4730 | Sveafastigheter Bostad Södra Hallsta Radhus AB | 100% |
| 916898-6546 | SBB Priori 6 Handelsbolag | 100% | 559080-4299 | Sveafastigheter Bostad Ulleråker AB | 100% |
| 559449-4329 | SBB Resico AB | 100% | 559210-1959 | Sveafastigheter Bostad Vaxholm AB | 100% |
| 559449-4337 | SBB Resico Services AB | 100% | 559301-4680 | Sveafastigheter Bostad Vårbergsvägen AB | 100% |
| 559225-6936 | SBB Sandhammaren AB | 100% | 559171-7847 | Sveafastigheter Bostad Wättinge AB | 100% |
| 556693-9491 | SBB Semil AB | 100% | 559301-4706 | Sveafastigheter Bostad Årstafältet AB | 100% |
| 559225-6910 | SBB Servitutet AB | 100% | 559122-6070 | Sveafastigheter Bostad Östberga AB | 100% |
| 559090-9668 | SBB Sländan Holding AB | 100% | 556985-1289 | Sveafastigheter Bostadsutveckling AB | 100% |
| 559206-2524 | SBB Stataren 1 AB | 100% | 559080-4265 | Sveafastigheter Bostadsutveckling II AB | 100% |
| 556828-3138 | SBB Stataren AB | 100% | 559122-2921 | Sveafastigheter Bostadsutveckling III AB | 100% |
| 556925-2017 | SBB Stora Norregatan 22 AB | 100% | 559122-2905 | Sveafastigheter Bostadsutveckling IV AB | 100% |
| 559345-4225 | SBB Storken AB | 100% | 559256-3984 | Sveafastigheter Bostadsutveckling IX AB | 100% |



Note 30 Companies and properties included in the combined financial statements, cont.

| Reg. No. | Name | Share | Reg. No. | Name | Share |
|-------------|---|-------|-------------|--|-------|
| 559131-3530 | Sveafastigheter Bostadsutveckling V AB | 100% | 559464-1390 | Sveafastigheter Holding 2.3.5 AB | 100% |
| 559171-7946 | Sveafastigheter Bostadsutveckling VI AB | 100% | 559218-8444 | Sveafastigheter Lägenheter AB | 100% |
| 559220-1015 | Sveafastigheter Bostadsutveckling VII AB | 100% | 559223-3927 | Sveafastigheter Lägenheter H1 AB | 100% |
| 559256-3976 | Sveafastigheter Bostadsutveckling VIII AB | 100% | 559273-3124 | Sveafastigheter Sothönan Norra Utveckling AB | 100% |
| 559301-4672 | Sveafastigheter Bostadsutveckling X AB | 100% | 559457-8311 | Sveafastigheter Tuppen 1 Boden AB | 100% |
| 559322-6664 | Sveafastigheter Bostadsutveckling XI AB | 100% | 556879-9315 | Sollentuna Tallskogen AB | 100% |
| 559335-6677 | Sveafastigheter Bostadsutveckling XII AB | 100% | 556684-7116 | Unobo Egna Fastigheter Trelleborg AB | 100% |
| 559335-6685 | Sveafastigheter Bostadsutveckling XIII AB | 100% | 559023-9199 | Unobo Eklunda AB | 100% |
| 559376-6818 | Sveafastigheter Bostadsutveckling XIV AB | 100% | 556897-8232 | Unobo ESM Nyköping AB | 100% |
| 559464-0871 | Sveafastigheter Holding 1 AB | 100% | 559106-8894 | Unobo Fastigheter Dalhem AB | 100% |
| 559464-0889 | Sveafastigheter Holding 1.1 AB | 100% | 556748-3903 | Unobo Hem i Umeå AB | 100% |
| 559464-0897 | Sveafastigheter Holding 1.1.1 AB | 100% | 559276-5571 | Unobo Holding 1 AB | 100% |
| 556886-6395 | Unobo Bajonetten AB | 100% | 559281-0856 | Unobo Holding 15 AB | 100% |
| 559464-0905 | Sveafastigheter Holding 1.1.2 AB | 100% | 559281-0864 | Unobo Holding 17 AB | 100% |
| 559464-0913 | Sveafastigheter Holding 1.1.3 AB | 100% | 559364-1656 | Unobo Holding 19 AB | 100% |
| 559464-0921 | Sveafastigheter Holding 1.1.4 AB | 100% | 559276-5621 | Unobo Holding 2 AB | 100% |
| 559464-0939 | Sveafastigheter Holding 1.1.5 AB | 100% | 559423-7322 | Unobo Holding 20 AB | 100% |
| 559464-0947 | Sveafastigheter Holding 1.2 AB | 100% | 559326-6348 | Unobo Holding 21 AB | 100% |
| 559464-0954 | Sveafastigheter Holding 1.2.1 AB | 100% | 559423-7314 | Unobo Holding 22 AB | 100% |
| 559464-0962 | Sveafastigheter Holding 1.2.2 AB | 100% | 559277-2049 | Unobo Holding 7 AB | 100% |
| 559464-0970 | Sveafastigheter Holding 1.2.3 AB | 100% | 559277-2098 | Unobo Holding 8 AB | 100% |
| 559464-0988 | Sveafastigheter Holding 1.2.4 AB | 100% | 559277-2114 | Unobo Holding 9 AB | 100% |
| 559464-1002 | Sveafastigheter Holding 1.3 AB | 100% | 559153-7831 | Unobo Hyresbostäder Drottninghög AB | 100% |
| 559464-1010 | Sveafastigheter Holding 1.3.1 AB | 100% | 559019-0228 | Unobo Hyresbostäder Höganäs AB | 100% |
| 559464-1028 | Sveafastigheter Holding 1.3.2 AB | 100% | 559050-7967 | Unobo Hyresbostäder Motvikten AB | 100% |
| 559464-1036 | Sveafastigheter Holding 1.3.3 AB | 100% | 559050-7959 | Unobo Hyresbostäder Orkestern AB | 100% |
| 559464-1044 | Sveafastigheter Holding 1.3.4 AB | 100% | 559050-8056 | Unobo Hyresbostäder Storkåge AB | 100% |
| 559464-1051 | Sveafastigheter Holding 1.3.5 AB | 100% | 559135-0722 | Unobo Hyresbostäder Sundsutsikten AB | 100% |
| 559464-1069 | Sveafastigheter Holding 1.4 AB | 100% | 559115-8711 | Unobo Hyresbostäder Valeberget AB | 100% |
| 559464-1077 | Sveafastigheter Holding 1.4.1 AB | 100% | 559182-0583 | Unobo Hälltorps Gård AB | 100% |
| 559464-1085 | Sveafastigheter Holding 1.4.2 AB | 100% | 559212-5750 | Unobo Hästhandlaren AB | 100% |
| 559464-1093 | Sveafastigheter Holding 1.4.3 AB | 100% | 556868-2545 | Unobo Lavinen AB | 100% |
| 559464-1101 | Sveafastigheter Holding 1.4.4 AB | 100% | 559276-5431 | Unobo Linköping Idrottsstjärnan AB | 100% |
| 559464-1119 | Sveafastigheter Holding 1.4.5 AB | 100% | 559276-5407 | UNOBO Linköping Lagerpumpen AB | 100% |
| 559464-1150 | Sveafastigheter Holding 1.5 AB | 100% | 559276-5415 | Unobo Linköping Nyponbusken AB | 100% |
| 559464-1168 | Sveafastigheter Holding 1.5.1 AB | 100% | 559276-5357 | Unobo Linköping Riket AB | 100% |
| 559464-1176 | Sveafastigheter Holding 1.5.2 AB | 100% | 559273-5103 | Unobo Linköping Risgrynet 1 AB | 100% |
| 559464-1184 | Sveafastigheter Holding 1.5.3 AB | 100% | 559273-5095 | Unobo Linköping Risgrynet 2 AB | 100% |
| 559464-1192 | Sveafastigheter Holding 1.5.4 AB | 100% | 559273-5087 | Unobo Linköping Riskornet AB | 100% |
| 559464-1200 | Sveafastigheter Holding 1.5.5 AB | 100% | 559276-5340 | Unobo Linköping Råknestickan AB | 100% |
| 559464-1218 | Sveafastigheter Holding 2 AB | 100% | 559351-8433 | Unobo Långmyran AB | 100% |
| 559464-1226 | Sveafastigheter Holding 2.1 AB | 100% | 559276-5217 | Unobo Morö Backe AB | 100% |
| 559464-1234 | Sveafastigheter Holding 2.1.1 AB | 100% | 559240-0559 | Unobo Pilen 4 AB | 100% |
| 559464-1242 | Sveafastigheter Holding 2.1.2 AB | 100% | 556722-1709 | Unobo Pilen 5 AB | 100% |
| 559464-1259 | Sveafastigheter Holding 2.1.3 AB | 100% | 559302-1701 | Unobo Puman 3 AB | 100% |
| 559464-1267 | Sveafastigheter Holding 2.1.4 AB | 100% | 559302-1685 | Unobo Puman 7 AB | 100% |
| 559464-1275 | Sveafastigheter Holding 2.1.5 AB | 100% | 559354-4926 | Unobo Rovdjuret AB | 100% |
| 559464-1283 | Sveafastigheter Holding 2.2 AB | 100% | 556547-7550 | Unobo Stallgården i Höganäs AB | 100% |
| 559464-1291 | Sveafastigheter Holding 2.2.1 AB | 100% | 556955-0766 | Unobo Traktören AB | 100% |
| 559464-1309 | Sveafastigheter Holding 2.2.2 AB | 100% | 556456-6486 | Unobo Trollet AB | 100% |
| 559464-1317 | Sveafastigheter Holding 2.2.3 AB | 100% | 559177-6645 | Unobo Önskemålet AB | 100% |
| 559464-1325 | Sveafastigheter Holding 2.2.4 AB | 100% | 556742-5912 | VR Bostad Norr 2 Fastighets AB | 100% |
| 559464-1333 | Sveafastigheter Holding 2.2.5 AB | 100% | 556966-4476 | VR Södra Autopiloten 1 Fastighets AB | 100% |
| 559464-1341 | Sveafastigheter Holding 2.3 AB | 100% | 556966-4484 | VR Södra Autopiloten 6 och 8 Fastighets AB | 100% |
| 559464-1358 | Sveafastigheter Holding 2.3.1 AB | 100% | 559147-6451 | Wättinge Utveckling AB | 100% |
| 559464-1366 | Sveafastigheter Holding 2.3.2 AB | 100% | 556984-1660 | SSM Hold E AB | 100% |
| 559464-1374 | Sveafastigheter Holding 2.3.3 AB | 100% | 559276-5563 | Unobo AB | 100% |
| 559464-1382 | Sveafastigheter Holding 2.3.4 AB | 100% | 559457-5119 | Sörböle-Butiken AB | 100% |

*Note 30 Companies and properties included in the combined financial statements, cont.*

The following properties are included in the combined reports for each year:

| 2023 | 2022 | 2021 |
|--|-----------------------------------|-----------------------------------|
| Almen 2 | Almen 2 | Almen 2 |
| Backen 8:15 | Backen 8:15 | Backen 8:15 |
| Backen 8:7–8:12 | Backen 8:7–8:12 | Backen 8:7–8:12 |
| Del av Hälsan 22 A | Del av Hälsan 22 A | Del av Hälsan 22 A |
| Del av Hälsan 22 B | Del av Hälsan 22 B | Del av Hälsan 22 B |
| Del av Tuppen 1 | Del av Tuppen 1 | Fregatten 16 |
| Fregatten 16 | Fregatten 16 | Lännersta 112:14 |
| Lännersta 112:14 | Lännersta 112:14 | Merkurius 4 |
| Merkurius 4 | Merkurius 4 | Stora Vörta 1:62 & 1:63 |
| Stora Vörta 1:62 & 1:63 | Stora Vörta 1:62 & 1:63 | Del av Klokheten 1 |
| Del av Klokheten 1 | Del av Klokheten 1 | Rävsta 5:329 |
| Rävsta 5:329 | Rävsta 5:329 | Prästbord 8:8 |
| Prästbord 8:8 | Prästbord 8:8 | Del av Sörböle 16:8 och Butiken 1 |
| Del av Sörböle 16:8 och Butiken 1 | Del av Sörböle 16:8 och Butiken 1 | Kandelabern 1 |
| Kandelabern 1 | Kandelabern 1 | Notarien 25 |
| Notarien 25 | Notarien 25 | Del av Årsta 1:1 B |
| Del av Årsta 1:1 B | Del av Årsta 1:1 B | Regementet 20 |
| Regementet 20 | Regementet 20 | Regementet 21 |
| Regementet 21 | Regementet 21 | |
| Del av Näsby 4:1469 B | | |
| Del av Kumla 3:1263 B | | |
| Del av Aspudden 2:1 | | |
| Del av Hammarbyhöjden 1:1 C | | |
| Del av Hammarbyhöjden 1:1 D | | |
| Del av Hammarbyhöjden 1:1 E | | |
| Del av Ulvsunda 1:1 B | | |
| Del av Sicklaön 134:1, 40:14 & 134:2 B | | |
| Del av Salem 5:77 & 32:1 B | | |
| Sothönan 12 & 13 | | |

Note 31 Events after the balance sheet date

- On February 7, 2024, the new Board of Directors of Sveafastigheter was presented, with Peter Wågström as Chairman of the Board.
- On March 20, 2024, Erik Hävermark was appointed CEO of Sveafastigheter.
- In June 2024, the joint venture Hemvist, which was co-owned with Kåpan Tjänstepension, was dissolved. The transaction added properties to the Group with a value of SEK 3.3 billion.
- In June 2024, the legal set-up of the Group was implemented.
- In July 2024, Sveafastigheter entered the bond market by issuing senior unsecured bonds with an aggregate principal amount of SEK 1,672 million with settlement after the end of the quarter. The bond provides a diversification of capital sources, which reduces the refinancing risk.

On September 25, 2024, the Board of Directors and the CEO signed and approved the historical financial information for the financial years 2023, 2022 and 2021 and the related notes on pages F-9–F-35.



Auditors' reports on combined financial information



THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Independent auditor's report

To the Shareholders of Sveafastigheter AB (publ), org.nr 559449-4329

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of Sveafastigheter AB (publ), which comprise the combined balance sheet as at December 31, 2021, 2022, 2023, and the combined income statement, combined statement of changes in equity and combined statement of cash flows for the year then ended, and notes to the combined financial statements, including material accounting policy information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, 2022, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the combined financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the combined financial statements in Sweden, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stockholm on September 28th 2024

Ernst & Young AB

Jonas Svensson
Auktoriserad revisor



Addresses

THE COMPANY

Sveafastigheter AB (publ)

Olof Palmes gata 13A
SE-111 37 Stockholm
Sweden

Telephone number: 0200-22 72 00

www.sveafastigheter.se

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Skandinaviska Enskilda Banken AB

Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

DNB Bank ASA, filial Sverige

Regeringsgatan 59
SE-105 88 Stockholm
Sweden

JOINT BOOKRUNNERS

Danske Bank A/S, Danmark, Sverige Filial

Norrmalmstorg 1
SE-103 92 Stockholm
Sweden

Nordea Bank Abp, filial i Sverige

Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Swedbank AB (publ)

Malmskillnadsgatan 23
SE-105 34 Stockholm
Sweden

AUDITOR

Ernst & Young AB

Hamngatan 26
SE-111 47 Stockholm
Sweden

LEGAL ADVISERS TO THE COMPANY

As to Swedish law

Advokatfirman Vinge KB

Smålandsgatan 20
SE-111 87 Stockholm
Sweden

As to U.S. law

Milbank LLP

100 Liverpool Street
London EC2M 2AT
United Kingdom

LEGAL ADVISOR TO THE MANAGERS

As to Swedish law

White & Case Advokataktiebolag

Biblioteksgatan 12
SE-114 85 Stockholm
Sweden

As to U.S. law

White & Case LLP

Aleksanterinkatu 44
FI-00100 Helsinki
Finland

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