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SVEAFASTIGHETER INTENDS TO LIST ON NASDAQ FIRST NORTH PREMIER GROWTH MARKET

Sveafastigheter AB (publ) ("Sveafastigheter" or the "Company"), one of Sweden's largest purely focused residential real estate company with a focus on actively owning, managing and developing properties across growing regions in Sweden, announces its intention to list the Company's shares on Nasdaq First North Premier Growth Market ("First North Premier") (the "Listing"). Following the Listing, Sveafastigheter will become Sweden's largest listed residential real estate company with standing assets of approximately 14,500 apartments and approximately 7,900 apartments in either ongoing development or project development. Based on the earnings capacity as of 30 June 2024, Sveafastigheter generates a rental income of approximately SEK 1.5bn with a net operating income of approximately SEK 1.0bn.

Sveafastigheter is since the separation from Samhällsbyggnadsbolaget i Norden AB (publ) ("SBB") a purely focused residential real estate company with an operational focus and its own property management and development organisation, which is believed to create the foundation for organic growth. This is achieved both through an increased surplus ratio on standing assets and through new constructions driven by structural demand for housing. As part of the separation, the Company has also appointed a new Board of Directors and management team focusing on creating a clear strategic direction and transparent capital structure, including a wholly owned property portfolio, low leverage with financing primarily from Nordic banks, and having a single share class.

The Board of Directors and management of Sveafastigheter, together with its owner SBB, believe that the Listing will enhance the operational and financial conditions, while providing increased flexibility through a clearer and strengthened profile with tenants, municipalities, investors, and financial institutions.

The intended Listing will be carried out through a broadening of ownership, where existing shares in the Company currently owned by SBB, will be offered to the general public in Sweden as well as to qualified investors in Sweden and internationally (the "Offering"). Shareholders in SBB will have priority to acquire shares in the Offering. The Company also aims to change listing venue to the Nasdaq Stockholm Main Market within 18 months.

Nasdaq Stockholm has assessed that Sveafastigheter meets the applicable listing requirements and will approve an application for the admission of the Company's shares to trading on First North Premier, provided that certain conditions, including the distribution requirement, are fulfilled. Subject to market conditions, the Offering and Listing are expected to take place during the fourth quarter of 2024.

Erik Hävermark, CEO of Sveafastigheter, comments:

"With our business model focused on operational efficiency and a property portfolio in Sweden's growth regions together with an extensive development pipeline, Sveafastigheter is well-positioned for good profitability and organic growth. Sveafastigheter is a residential company that actively manages and develops attractive rental properties to meet the structurally growing demand for housing, with tenant satisfaction, sustainability and our profitability as key priorities. I look forward to the next step in Sveafastigheter's development as a listed company and our continued pursuit of being Sweden's leading residential company."

Peter Wågström, Chairman of the Board of Directors of Sveafastigheter, comments:

"Sveafastigheter has established a strategically located portfolio of rental properties combined with an attractive project development pipeline that offers significant potential. The Company is led by a highly competent management team and is operationally led by an experienced and efficient management and development organisation. The Listing of the Company provides access to the Swedish and international capital markets, which is an important step in Sveafastigheter's continued development and growth."

Leiv Synnes, CEO of SBB, comments:

"This is a significant milestone that creates Sweden's largest purely focused, publicly listed residential company. The scale provides the conditions for efficient and profitable property management. A focus solely on residential properties offers advantages, such as developing high expertise within core areas. Sveafastigheter has strong competence in project development, which not only generates profits but also awards for good and sustainable urban development. We believe that Sveafastigheter is, and will continue to be, a go-to partner for municipalities. In addition, residential properties have over long periods generated strong risk adjusted returns compared to other asset classes, which should appeal to investors."

About Sveafastigheter

Sveafastigheter owns, manages, and constructs attractive rental apartments in growth regions across Sweden, with a total property value, including projects, of approximately SEK 27.5bn. Sveafastigheter manages around 14,500 apartments in growth regions, of which approximately 94 percent are located in Sweden's three major metropolitan areas and university cities. Sveafastigheter focuses solely on regulated rental housing, implying a stable and non-cyclical market with low vacancy risk.

Sveafastigheter Bostad was founded in 2014 and acquired by SBB in 2020. In the following year, 2021, SBB and Kåpan Pensioner formed a joint venture and invested in the company Hemvist. In the same year, SBB also acquired a majority of the shares in the residential property company Unobo from Riksbyggen. Sveafastigheter was established in 2024 as an independent company with solely fully owned properties when the residential assets and the related parts of the organisation were separated from SBB, while the joint ventures were dissolved. The establishment of Sveafastigheter as an independent company creates the conditions for more efficient management and profitable organic growth.

With a strong focus on sustainability and local presence, Sveafastigheter has won several awards for its sustainable housing and satisfied tenants. The Company aims to create attractive rental apartments through active in-house property management and an efficient renovation process to maximise profitability and enhance tenant satisfaction. Sveafastigheter primarily undertakes new construction projects in the Stockholm-Mälardalen region, with a track record of long-term profitability and reliability in collaboration with municipalities.

Sveafastigheter's strengths**A prominent residential company active in a market with structural demand**

Following the completion of the Listing, Sveafastigheter will become Sweden's largest publicly listed purely focused residential company, with fully owned properties in cities and regions with high housing demand. The Company aims to operate in regions with long-term growth opportunities, supported by favourable labour markets that contribute to population growth, as well as employment and income growth that exceed the national average. This market dynamic has resulted in over 80 percent of the municipalities where Sveafastigheter operates reporting a housing shortage, creating strong opportunities for both property management and new construction.

Focus on regulated rental housing

Sveafastigheter focuses on the Swedish regulated rental housing market and has a long-term strategy that provides favourable conditions for stable and increasing revenues over time. Additionally, the average rent level in Sweden has not decreased since 1969 when the current rent regulation was introduced, and the regulated market in Sweden has since consistently over an extended period achieved average rent increases for housing that exceed the Swedish inflation rate.

Experienced property management organisation with a focus on value creation

As of June 30, 2024, the market value of Sveafastigheter's property portfolio amounted to SEK 27.5bn, of which SEK 24.3bn in standing assets, comprising approximately 14,500 apartments. 94 percent of the property portfolio is located in Sweden's three largest metropolitan regions as well as in university cities.

Through its own property management organisation, where value-creating property management is performed by the Company's employees, Sveafastigheter maintains a clear operational focus and a good foundation for increased profitability and tenant satisfaction. Furthermore, there is value-creating potential in the property portfolio through economies of scale in property management. Apartments will be continuously renovated, and by enhancing the portfolio, rental income will increase and attractive housing that meets local market demand will be achieved. This provides Sveafastigheter with strong opportunities to maintain a high economic occupancy rate, stable and growing rental income over time, and lower costs.

Sveafastigheter is one of Sweden's most prominent developers of new sustainable rental apartments

Sveafastigheter has an extensive project development portfolio primarily in the Stockholm-Mälardalen region, where housing demand is the highest. The project development portfolio includes approximately 7,900 apartments, of which around 700 are ongoing development. Through its project development organisation, which has built close and long-term relationships with municipalities over time, Sveafastigheter has established itself as a prominent developer of sustainable rental apartments. By delivering new construction projects of high quality and with a focus on sustainability, Sveafastigheter has reinforced its position in the sector. The Company's focus is on developing rental housing in attractive locations in Stockholm-Mälardalen, with strong profitability, excellent design, functional layouts, and cutting-edge sustainability solutions where people enjoy living.

Strong financial position and stable capital structure

The Company has a strong financial position and a conservative capital structure, allowing Sveafastigheter to focus on organic growth. The capital structure primarily consists of bank financing from Nordic banks and a smaller portion of bonds. Capital commitments are long-term and a significant portion is interest-hedged. With a simple and transparent financing structure, Sveafastigheter can seize opportunities within both its standing assets and project development portfolio, as well as act on new business opportunities. At the time of the Listing, Sveafastigheter is expected to have financing consisting of approximately SEK 10.0bn secured debt from Nordic banks and around SEK 1.7bn in bonds. This financing structure corresponds to an LTV ratio of 42 percent and a long-term NAV at the time of the Listing of approximately SEK 15.9bn.

Prominent position in sustainability with continued high ambitions

Sustainability has long been a central part of Sveafastigheter's operations and the Company actively works with social, economic, and environmental sustainability. For example, Sveafastigheter built Sweden's first large-scale plus-energy building. The Company also developed a senior living facility designed for community living for individuals over 65, which won the Kundkristallen award in 2022 for having Sweden's most satisfied tenants in newly constructed properties. A growing sustainability commitment among all stakeholder groups has contributed to increased demand for both climate-smart and secure housing. Sveafastigheter has high ambitions to further improve sustainability within its property portfolio and is actively working to reduce its climate footprint by implementing energy-saving projects with good profitability. The Company is also focused on increasing safety in its residential areas to create value for its tenants and contribute to positive social development.

Selected property related information

Reported figures	Six months period ending 30 June		Fiscal year ending 31 December
	H1 2024	H1 2023	2023
Property portfolio, SEKbn	27.5	25.4	24.8
Number of apartments, #	14,467	12,512	12,562
Number of apartments in ongoing development, #	689	1,016	1,293
Number of apartments in project development, #	7,223	7,456	7,795

Selected financial information[1]

Proforma stand-alone[2]	Six months period ending 30 June		Fiscal year ending 31 December
	H1 2024	H1 2023	2023
Rental income, SEKm	708	585	1,226
NOI, SEKm	433	347	761
NOI margin, %	61	59	62
LTV ratio, %[3]	42		
NAV, SEKbn[3]	15.9		

Earnings capacity (as per 30 June 2024)

	Standing assets	New production	Total
Rental value, SEKm	1,505	65	1,570
Vacancy, SEKm	(86)	(1)	(86)
Rental income, SEKm	1,419	65	1,484
Property expenses, SEKm	(461)	(11)	(473)
NOI, SEKm	958	53	1,011
Property administration, SEKm	(71)	(2)	(74)
NOI incl. property administration, SEKm	886	51	938
<i>NOI margin incl. property administration, %</i>	62	79	63
Other income, SEKm	53	-	53
Central administration, SEKm	(148)	(4)	(151)
EBITDA, SEKm	791	48	839

Financial targets and risk mitigation

- NOI margin including property administration shall exceed 70 percent within the next five years.
- Average annual growth of at least 12 percent in net asset value per ordinary share over a business cycle.
- Over time, LTV shall be within 40–50 percent of property value depending on market conditions.
- Net debt-to-EBITDA shall not exceed 15x.
- ICR shall exceed 1.50x.

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 production of at least 800 apartments annually during the coming five years.

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 through investments in properties and new construction, which will lead to economies of scale. As a result, there will be no dividend for 2024 and the dividend will be low or none in the coming years.

The Offering in brief

If the Company decides to proceed with the Listing, the Offering is expected to include the following:

- An offering to the general public in Sweden; and
- An offering to qualified investors in Sweden and internationally, in accordance with applicable regulations and exemptions.

The Offering to institutional investors will only be made to (i) certain institutional investors outside the U.S. under Regulation S of the U.S. Securities Act as amended; and (ii) within the U.S., only to "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act.

The Offering consists solely of existing shares, maximum 49 percent of the Company's shares, which are currently indirectly controlled by SBB. Following the Offering, SBB will retain a significant portion of its shareholding in Sveafastigheter and will remain a substantial shareholder.

Shareholders of SBB as of the record date September 27, 2024, will have priority to acquire shares in the Offering on the same terms as other investors, subject to any restrictions that may arise under applicable securities laws. Applications to the priority tranche will be separate from the offering to the general public in Sweden and the offering to qualified investors in Sweden and internationally. The size of the priority offering will be determined by SBB in consultation with the Joint Global Coordinators after the end of the offer period, meaning full allocation will not be guaranteed.

The full terms and conditions, instructions, and details of the Offering, including the priority for SBB shareholders, will be described in the prospectus expected to be published by the Company in connection with the contemplated Offering and will be available on the Company's website (<https://corporate.sveafastigheter.se>), and SEB's website for prospectuses (<https://sebgroup.com/prospectuses>), DNB's website (www.dnb.se/emission), Avanza's website (www.avanza.se) as well as on Nordnet's website (www.nordnet.se).

Advisors

DNB Bank ASA, part of DNB Bank ASA, filial Sverige ("DNB") and Skandinaviska Enskilda Banken AB (publ) ("SEB") are Joint Global Coordinators and Joint Bookrunners. Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank"), Nordea Bank Abp, filial i Sverige ("Nordea") and Swedbank AB (publ) ("Swedbank") are Joint Bookrunners.

The legal advisors to the company regarding Swedish law are Advokatfirman Vinge KB, and regarding U.S. law, Milbank LLP. The legal advisors to the Joint Bookrunners are White & Case Advokataktiebolag regarding Swedish law and White & Case LLP regarding U.S. law.

Avanza Bank AB (publ) ("Avanza") and Nordnet Bank AB (publ) ("Nordnet") act as Retail Distributors in the Offering.

For further information, please contact:

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Erik Hävermark, CEO

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Important information

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in any jurisdiction where such offer or sale would be unlawful.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017 /1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "**Prospectus Regulation**"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This document and the information contained herein are not for distribution in or into the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, qualified investors (as defined in the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) and who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Sveafastigheter’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Sveafastigheter’s business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

Each of Sveafastigheter, SBB and each of DNB Markets, a part of DNB Bank ASA, Sweden Branch, Skandinaviska Enskilda Banken AB (publ), Danske Bank A/S, Denmark, Sweden Branch, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) (together the “**Managers**”) and their respective affiliates as defined under Rule 501(b) of Regulation D of the Securities Act (“**affiliates**”), expressly disclaims any obligation or undertaking to update, review or revise any forward looking statements contained in this announcement whether as a result of new information, future developments or otherwise, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of Sveafastigheter or SBB to proceed with the Offering or any transaction or arrangement referred to herein.

Any offering of the securities referred to in this announcement will be made by means of a prospectus (the “**Prospectus**”). This announcement is not a prospectus for the purposes of the Prospectus Regulation. The information in this announcement is subject to change. Before investing in any securities in the Offering, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this

announcement or its accuracy or completeness. This announcement shall not form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase any securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The timing of the listing may be influenced by a variety of factors which include market conditions. Sveafastigheter may decide not to go ahead with the Offering and there is therefore no guarantee that the listing will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not form part of or constitute a recommendation concerning any offer. The value of securities can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

None of SBB, the Managers or any of their respective affiliates or any of their or their affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Sveafastigheter, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith. Accordingly, each of SBB, the Managers, and any of their respective affiliates and any of their or their affiliates' directors, officers, employees, advisers or agents expressly disclaims, to the fullest extent possible, any and all liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Each of the Managers is acting exclusively for Sveafastigheter and no one else in connection with the proposed Offering. They will not regard any other person as their respective clients in relation to the proposed Offering and will not be responsible to anyone other than Sveafastigheter for providing the protections afforded to their respective clients, nor for providing advice in relation to the proposed Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the Managers and any of their respective affiliates, may take up a portion of the shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of Sveafastigheter or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any

issue or offer to, or subscription, acquisition, placing or dealing by the Managers and any of their respective affiliates acting in such capacity. In addition, the Managers and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of shares. None of the Managers nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID 2**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID 2; and (c) local implementing measures (together, the "**MiFID 2 Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID 2; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID 2 (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID 2; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.

[1] Following the publication of the Q2 report, the Company has requested its auditor to conduct a review of the report. During this review, it was noted that the economic occupancy rate for Q2 2023 was mixed up with the corresponding figure for Q4 2023. The correct figures are 94.8 percent for Q2 2023 and 94.3 percent for Q4 2023. Additionally, it was noted that the item '*Profit before financial items, changes in property value, and goodwill*' in the Company's earnings capacity was incorrectly summed up to SEK 838m in the Q2 report. The

correct figure is SEK 839m. The correct figures will be included in the prospectus for the contemplated Offering. The auditor's report regarding the review will be made available on the Company's website under <https://corporate.sveafastigheter.se/en/> during the current week

[2] Proforma stand-alone includes Sveafastigheter's wholly owned properties as well as the share of Unobo and Hemvist, which have been fully consolidated over the entire period. Furthermore, assumptions have been made about Sveafastigheter's operations, as if it had been an independent organisation. More information on the stand-alone adjustments will be available in the prospectus for the contemplated Offering

[3] Based on the indicative capital structure at the time of the IPO