



Samhällsbyggnadsbolaget

ANNUAL REPORT | 2018

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VISION

Samhällsbolaget aims to be the best Nordic property company for social infrastructure properties and residential.

MISSION

Samhällsbolaget shall benefit its shareholders and society in general:

- To be a natural and reliable partner to the public sector in the Nordic region, by long-term ownership, management, renovation and building of social infrastructure properties.
- To acquire, develop, build and manage residential throughout Sweden.
- To work actively as a community builder and long-term partner to municipalities, county councils and government agencies in order to create building rights for housing.

INFORMATION ABOUT THE GROUP

SAMHÄLLSBYGGNADSBOLAGET I NORDEN (SBB)

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

PROPERTY PORTFOLIO

In order to safeguard both stability and strong cash flows. SBB's aim is to ensure that social infrastructure properties with long contracts and residential properties comprise 80-90 percent of the property portfolio. The company's goal is to grow the property portfolio to SEK 40 billion by 2023, subject to achieving and maintaining an Investment Grade credit rating. SBB is active in a market with stable and strong underlying fundamentals. The property portfolio of the company is characterised by high occupancy rate and long leases. Beyond growing through acquisitions Samhällsbolaget also carries out value-creating activities such as redevelopment and renovations of existing properties, as well as development of building rights.

As of December 31, 2018, the property portfolio comprised 570 properties. The properties' value totalled SEK 25.2 billion, of which housing amounted to SEK 6.7 billion, community properties SEK 16.4 billion, and other properties SEK 2.1 billion. The total area was approximately 1,330,000 sq.m. with a 12-month rolling earning capacity of SEK 1,585 million.

Classification	Rental income, SEKm	Total, %
Residential	451	28
Group Housing (LSS)	171	11
Government	688	43
Indirect government	133	8
Other	142	9
Total	1 585	100



View from the property Dronning Eufemias gate 30 in Oslo, Norway

SBB KEY RATIOS

	2018	2017
	Jan-Dec	Jan-Dec
Rental income, SEKm	1 680	1 339
Net operating income, SEKm	1 071	877
Surplus ratio, %	64	66
Profit for the period, SEKm	1 690	2 429
Yield, %	4,7	4,8
Cash flow from operating activities, SEKm	248	360
Market value of properties, SEKm	25 243	23 001
Number of properties	570	749
Number of sq.m., 000	1 330	1 366
Economic occupancy rate, %	96,2	96,8
Average contract length of community properties, year	7	7
Shareholders' equity attributable to shareholders, SEKm	9 009	6 389
Long-term net asset value (EPRA NAV), SEKm	8 736	7 120
Current net asset value (EPRA NNNAV), SEKm	7 838	6 282
Return on equity, %	18	52
Loan to value ratio, %	53	58
Equity ratio, %	41	32
Adjusted equity ratio, %	44	36
Earnings per ordinary share A and B, SEK	2,07	3,60
Earnings per ordinary share D, SEK	0,50	-
Average number of ordinary shares A and B	741 569 031	653 360 953
Average number of ordinary shares D	918 854	-
Average number of preference shares	324 983	168 360
Number of ordinary shares A and B	756 049 031	737 949 031
Number of ordinary shares D	41 626 390	-
Number of preference shares	175 251	333 205

See definitions on p. 146.

BUSINESS MODEL

ORGANISATION

SBB's management team has significant experience in development and management of both residential and community service properties. The organisation is made up of a small team of employees where the focus lies on transactions, property development and cost-efficiency. SBB works actively with improving cash flows in the existing property portfolio through efficient property management as well as by having an organisation which has broad and deep knowledge and experience within property development. The company achieves scalability in the organisation through external property management, which enables continuous growth within the existing organisation.

TRANSACTIONS

SBB operates a transaction-intensive business with the aim to potentially create the best long-term return.

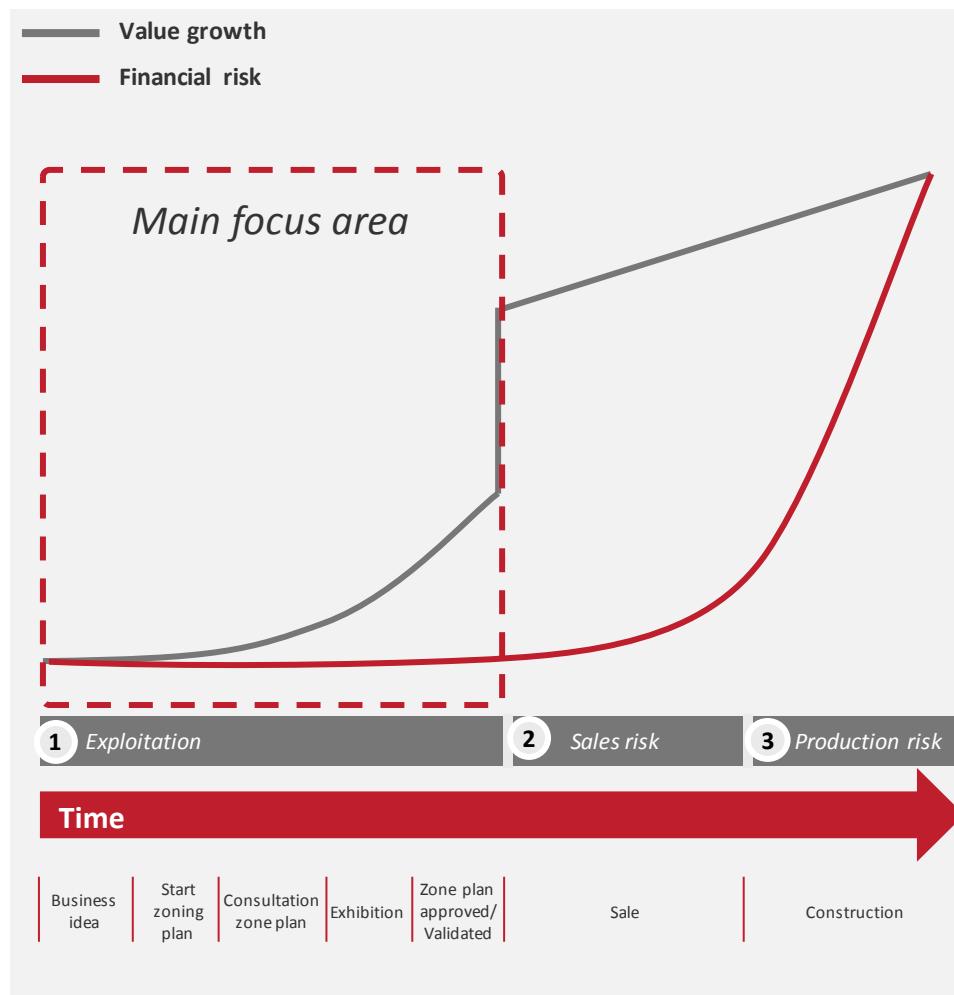
PROPERTY MANAGEMENT

SBB's management focuses on active work with value-creating development and continuous maintenance of the existing portfolio. A high surplus ratio is one of the company's sustainability goals, and the company performs management operations with a focus on net operating income. This is partly done through energy-saving investments. New homes are created by improving and fine-tuning existing portfolio and renovating the current residential properties to modern standards. Since the end of March 2018, SBB's property management organisation is in-house.

PROPERTY DEVELOPMENT

Within property development, SBB works actively to find properties with a direct yield of approximately 5-7 percent, where SBB in the short and medium term (1-5 years) sees opportunity for development of building rights for residential and/or building rights for community properties. Prior to acquisition SBB determines, after discussions with the local municipality, what is required in order to get a new zoning plan approved.

Immediately after taking possession, work is commenced to pursue a zoning plan to create building rights. SBB then seeks to make early sales of these building rights prior to the final approval of the zoning plan. These early sales create momentum for the zoning plan process and gives municipalities confidence to ensure that when the zoning plan is approved, construction will start immediately. SBB strives to minimize production risks and therefore divests the building rights before the start of production, either to a completely external partner or to a JV where SBB's counterpart is an experienced project developer who takes responsibility for the production risks.





CEO ILIJA BATLJAN

2018 became Samhällsbyggnadsbolagets (SBB) best year so far and we end it with a strong quarter. At year end, we report total equity of SEK 11,197 million. During the fourth quarter, we reported a result of SEK 0.83 (0.48) per A- and B ordinary shares. Adjusted earnings per A- and B ordinary shares for the full year 2018 were SEK 2.31, which corresponds to just under one fifth of the company's market value. Revenues grew by 3.2 percent (like for like) and in our major renovation projects significantly higher. For example, we performed ca 10 percent in Motala and ca 7 percent in Nykvarn. The loan-to-value ratio was 53 percent and the adjusted equity ratio was 44 percent. SBB's 12-month rolling earnings capacity amounts to SEK 770 million. Property development continue to deliver with an average result (three-year average) of SEK 510 million. During 2018, SBB's property development team have sold properties containing circa 270 000 sq.m. GFA, worth approximately SEK 780 million. We have long experience of cooperating with municipalities, we are an active community builder and this year we also offered summer jobs to some 50 young people in our residential areas.

The first property I bought for SBB in 2016 was a retirement home in the small village of Örkelljunga. Today, three years later, half of our property value exceeding SEK 25 billion is located in the major cities of Stockholm and Oslo. This year, we have added a number of elderly homes with long municipal leases, of which one elderly home in Södermalm, a new school in Vasastan and rental apartments in Gubbängen and Nacka. During the first half of the year, we further strengthened our Nordic focus through, among others, the acquisition of

three elderly homes in Tampere and one in Helsinki in Finland, as well as two nursing and care homes in Oslo.

At the end of the year, planning was approved for 33,500 square meters in Nykvarn (one of Sweden's fastest growing municipalities), where both elderly residential and new residential will be built. A few weeks later, we signed a new 25-year agreement with Nykvarns municipality in connection with the extension and refurbishment of the town hall. During the fourth quarter, we also signed a 50-year

lease agreement with Skellefteå municipality for the newly-built Culture Center, which will be ready for occupancy in early 2021. This is probably one of the longest lease agreements signed in Europe.

A property portfolio where nearly half of the value is in Stockholm and Oslo, combined with an average contract length of 7 years, and given the newly signed contracts an adjusted average contract length of 10 years, translate to low risk. We can add to this to the fact that 91 per cent of our total 12 - months rolling rental income of SEK 1,585 million, is detived from either rent regulated flats or directly or indirectly from state and municipalities through our social infrastructure properties. All in all, this is one-of-a-kind low risk exposure as impact of economic climate is also minimal.

The success of a company is based on the employees' efforts and skills. Over the past three years, we have succeeded in recruiting many competent and experienced colleagues. This is exactly what business building is all about - recruiting talented people and giving them the ability to do what they are best at. The result of their work will be evident in the bottom line over years to come.

In February, SBB changed its listing to Nasdaq First North Premier. The change of listing to Nasdaq First North Premier is a quality stamp on SBB and an important step in the work of listing the company on Nasdaq Stockholm's main list. During the first quarter, SBB was voted the Property Company of the Year at the Property Gala, arranged by World in Property. The Property Company of the Year is a nationwide prize that is awarded to the company which according to the jury has been responsible for an unusually strong development in its area during the past year.

FOCUS ON CONSOLIDATION AND STRENGHTENING OF THE BALANCE SHEET

The work of consolidating the balance sheet to improve our financial position has intensified during the second half of 2018. As part of this work, we have repaid approximately SEK 1.35 billion of our bond of SEK 1.5 billion with maturity in April 2020. We have also partly repurchased our junior bond for Barcode (DNB's head office in Oslo), repaid expensive bridge loans and

renegotiated several bank loans at lower interest rates. We have also secured extensive back-up facilities. Non-recurring costs of SEK 205 million relating to refinancing, repurchase of bonds and arrangement fees are charged to profit for the year. In the short term, earnings are adversely affected, but over time this significantly strengthens our financial position with both lower future interest expenses and a stronger financial position. During the second half of the year, we have lowered our financial expenses by SEK 111 million, 12 months rolling. At the end of the year, our average interest rate was 2.4 percent, compared with 3.4 percent a year ago. The refinancing contributes to our adaptation to the new rules regarding restrictions of interest deduction.

The much strengthened equity ratio has also contributed to the consolidation in the second half of 2018. During this period, we have increased our equity by approximately SEK 2.6 billion. During the fourth quarter, we issued D shares for SEK 1.3 billion and B shares for SEK 135 million. During the third quarter, we acquired all remaining preference shares in Högkullen of SEK 127 million and during the fourth quarter we continued to repurchase preference shares totalling NOK 156.5 million in Barcode and SEK 79 million in SBB. All in all, during the year, we have refinanced loans for SEK 7 billion and repurchased preference shares, warrants and hybrids for SEK 0.8 billion. In addition, we sold non-strategic properties for SEK 2.9 billion during the second half of the year. During 2019, we have continued to strengthen our equity through issuing D shares totalling SEK 126 million.

LONG-TERM PARTNER TO MUNICIPALITIES

During the second half of the year, we launched a new management organisation. We note that the combination of our own technical management and proximity to our tenants, where we have the tenant at the center, are important factors for a long-term property manager. We know that everything you do, and also what you don't do, plays a role and are important components in the long-term management. We see great potential in continuing to develop our property management and increasing focus on improved energy efficiency. Sustainability is a central part of our

business model and we have initiated major investments to reduce carbon dioxide emissions by at least 400 tonnes per year over the next five years. After the end of the year, we successfully issued our first green bond of SEK 500 million.

The largest owners of community properties are municipalities and we continue to be a leading partner to the municipalities in the Nordic region. Our strong position combined with demographic trends that lead to great demand for retirement homes and schools create potential for new collaborations and growth.

STRONG OPERATING NET PROFIT WITH STRONG CASH FLOWS

During the year, SBB has created value and delivered a strong result through investments in renovations of both rental apartments and social infrastructure properties, new leases and extended leases and active property development. We have delivered an operating net corresponding to SEK 1,071 million, which when adjusted for one-off effects is approximately SEK 1.1 billion - an increase of 24 percent from SEK 877 million in the corresponding period last year. We have also invested extra on maintenance in connection with renovations during the fourth quarter.

Given SBB's business model of sale of building rights and the effect of large refinancing costs, one could calculate a free cash flow after adjustments to SEK 476 million (see table).

	SEKm
Cash flow from operating activities adjusted for changes in working capital	248
Refinancing costs	205
Cash flow from sold building rights	135
Interest paid on hybrid bonds and Dividend on preference shares	-112
Adjusted free cash flow	476

Our strong operating net combined with our reduced financing costs enable continued strong cash flows, which is why the Board of Directors proposes a dividend of SEK 0.25 per share. If the reported profit from property management of SEK 321 million is adjusted for extraordinary expenses for repurchase of bonds, arrangement fees, refinancing costs and other non-recurring costs,

profit from property management would have amounted to SEK 546 million. Our earning capacity on a 12-month rolling basis was approximately SEK 770m at the end of the year, which corresponds to an increase of 32 per cent from SEK 582m at the end of 2017. All in all, this gives us the best conditions for continuing to build the Nordic region's strongest player focusing on social infrastructure properties.

OUTLOOK

In 2018, we completed renovations of 415 apartments, which is more than three times as many as in 2017 and in line with our goal of 600 apartments for the second half of 2018 and the first half of 2019. Renovations are an important part of our business model that contributes to both higher income and more attractive residential areas. In connection with renovations, we also take the opportunity to invest in energy efficiency, which creates value for both the company and society. Our rental units have an average value corresponding to just over SEK 13,000 per square meter in the balance sheet and we see great opportunities for value growth as we start renovations from low rental levels.

Impact from economic activity and external factors is marginal on SBB's cash flow. Our properties are located in attractive locations in major cities in the Nordic region, and our portfolio of social infrastructure properties and rental apartments have long lease contracts. I have said it before and repeat it again - Swedish rent regulated apartments with low regulated rents are safe and stable assets. Our portfolio of rental units combined with a high proportion of tenants represented by the state and the municipality, through our social infrastructure properties, guarantees a stable and long-term investment. In addition, we are building communities and at the end of the fourth quarter we had close to 50 ongoing development projects in different phases of planning. Converted to potential for new construction, these correspond to approximately 10,000 - 12,000 homes. We see continued strong demand for rent regulated apartments and great competition for both rental apartments and social infrastructure properties.

Our assets deserve a rating that reflects the low financial risk. This is also why, in connection with

the Capital Markets Day in December 2018, when we announced our new growth target of SEK 40 billion in property value in 2023, conditional on an Investment Grade rating being reached and maintained. Although we expect to deliver almost half of the growth from SEK 25 billion to SEK 40 billion between 2018 and 2023 organically through property development, renovations, lease renegotiations and higher rental income (ie without acquisitions), we want to be clear that we prioritize a strong financial position. In the same spirit, we presented an update of two of our financial goals:

- Maintaining a loan-to-value ratio below 55 per cent (down from 60 per cent)
- To achieve an interest coverage ratio of at least 2.5 times (up from 1.8 times)

At the end of the year, our net loan-to-value ratio was 53 per cent and we will continue to create conditions for further reducing the loan-to-value ratio in the next 12 months. We will also be able to adjust the loan-to-value ratio by approximately SEK 1 billion, which on the balance sheet today is booked as receivables from JV companies, but is

actually JV companies' debt which is expected to be repaid to SBB in the coming quarters. We have also issued SEK 126 million D shares, which were registered only after the end of the year. Adjusting the loan-to-value ratio for these measures, results in a loan-to-value of just below 50 per cent. With this, I believe that our goal of strengthening the financial position to achieve the criteria for an Investment Grade rating in 2018 is met. I look forward to the credit rating agencies' reports.

The strengthened financial position provides us with the prerequisite for continuing the work of creating the Nordic region's leading player with a focus on social infrastructure properties and rent regulated apartments. I started by talking about our low-risk assets and concluded with our low financial risk. It is a combination that leads to continued value creation for both society and our shareholders.

Stockholm, March 26, 2019

Ilija Batljan
CEO and founder





“*SBB's considerably strengthened financial position in combination with SBB's Swedish rent regulated residential portfolio consisting of rental apartments and social infrastructure properties, ensures a high level of stability in an uncertain environment.”*

TO SAMHÄLLSBYGGNADSBOLAGET'S SHAREHOLDERS

This year has been an eventful one for Samhällsbolaget. The primary focus has been on strengthening the balance sheet and streamlining the property management organisation.

SBB's considerably strengthened financial position in combination with SBB's property portfolio consisting of rental apartments and community properties, guarantees a high level of stability in an otherwise uncertain environment.

STRONG BALANCE SHEET

At the end of the year, SBB reported equity of SEK 11,197 million, an increase of SEK 3,561 million compared with year-end 2017. SBB has successfully issued a new class of shares, D shares, for approximately SEK 1,300 million and hybrid bonds for approx. SEK 200 million (net after repurchase).

At the end of the year, the loan-to-value ratio was 53 percent. Adjusted for future repayments from JV companies and new issues, the loan-to-value ratio falls below 50 percent.

LOWER FINANCING COSTS

As a result of the company's strengthened financial position, the average interest rate during the year declined to about 2.4 per cent, which means an interest rate cut of about 1 per cent. SBB's interest

expenses have thus been reduced by approximately SEK 100 million on an annual basis.

NEW PROPERTY MANAGEMENT ORGANISATION

In 2018, a new organisation for technical property management was introduced. An effective in-house property management organisation is important for long-term property ownership and value-creating refurbishment of our property portfolio. Not least, this is important for SBB's value-increasing renovation work in the residential stock.

INCREASED PROFITABILITY

Current earnings capacity, based on the property portfolio as of December 31, 2018, and calculated

for rolling 12 months, amounted to SEK 770 million, compared with SEK 582 million a year earlier.

CORPORATE GOVERNANCE

Until the Annual General Meeting on April 29, 2019, SBB's Board of Directors consists of seven members. Overall, the Board possesses solid expertise in property issues. The Board's work is characterised by high efficiency and forthright cooperation. This provides a good basis for a continuous development of SBB.

During 2018, SBB's Board of Directors had 71 meetings, of which one constituting meeting.

On the agenda for each ordinary board meeting there are a number of standard reports; CEO's review of operations, acquisitions, divestments, investments, organisation and financials.

The Audit Committee works according to an annual agenda and is tasked with, among other things, monitoring the company's financial reporting. The Audit Committee consists of the entire Board.

The Remuneration Committee shall prepare matters concerning remuneration principles for the CEO and other senior executives. The Remuneration Committee consists of the Board members Eva Swartz-Grimaldi (Chairman) and Lennart Schuss.

OUTLOOK

SBB is in a strong financial position, with stable cash flows. SBB's property portfolio of Swedish rent regulated residential and social infrastructure properties guarantees future stable earnings.

To summarise, I would like to thank the Board, management and other employees for a fantastic 2018. I am convinced that 2019 will be equally exciting.

Stockholm, March 26, 2019

Lennart Schuss
Chairman of the Board

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OPERATIONS

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ECONOMY AND PROPERTY MARKET

MACRO ECONOMY

Sweden has experienced good economic growth in recent years; GDP growth was 3.3 per cent in 2016 and 2.4 per cent in 2017. However, growth slowed somewhat in 2018 to 2.2 per cent. Slowdown is expected to continue in 2019 and 2020. The decline in growth can, among other things, be explained by a decline in household consumption and a subdued rate of investment. On December 20, 2018, the Riksbank raised the repo rate from -0.50 per cent to -0.25 per cent and the increase became effective on January 9, 2019. Residential prices stabilized during the year after a decline in the autumn of 2017 and in the short term the supply of new residential remains large as many projects completed. Households' increasing indebtedness means that more people are interest-sensitive, especially first-time buyers and pensioners. At the same time, households are generally deemed to be prepared for interest rate hikes.

The general global growth outlook is bright despite some concerns. The trade conflict between the US and China has cooled and from December 1, the parties agreed on a "ceasefire" in 90 days. Brexit, however, remains unclear. The good business environment together with a weak krona continue to benefit Swedish exports. At the same time, the Swedish economy with its large dependence on foreign countries is particularly vulnerable if the above-mentioned risks increase significantly. The increased risks are, to some extent, holding back consumption and investments globally.

SWEDISH PROPERTY MARKET

The transaction volume for the month of December amounted to SEK 21.5 billion, with 56 transactions completed (for transactions exceeding SEK 40 million). The transaction volume for 2018 through December amounted to approximately SEK 153 billion, divided into 430 transactions. This can be compared to the same period in 2017 where the volume accumulated amounted to SEK 151 billion and 2016, where the transaction volume amounted to SEK 201 billion. For December 2018, the volume was lower than the same month last year, when the transaction volume reached SEK 29.9 billion. In December, the share of foreign investors accounted for 12 per cent of the transaction volume (for transactions over SEK 40m) and during the full year 2018, foreign investors accounted for 27 per cent of the total volume. This can be compared with 2017, where the proportion was 23 percent.

Geographically, Stockholm dominated with 42 per cent of the transaction volume in 2018. Furthermore, Gothenburg accounted for 10 per cent and Malmö for about 12 per cent. Other major cities accounted for 19 percent and the rest of the country accounted for about 17 percent.

The office segment remains strong and now accounts for 23 per cent of the transaction volume. Up to and including December, residential sales had a turnover of 34 per cent and the retail segment had a turnover of 13 per cent. Social infrastructure properties accounted for 8 per cent of the transaction volume and logistics for 14 per cent.

NORWEGIAN PROPERTY MARKET

The Norwegian transaction market experienced a slow start, due to several factors, and only one transaction over NOK 1 billion was reported. The property market recovered during the year and 2018 became a strong year. The total transaction volume for 2018 was approximately NOK 80 billion, which is a decline of approximately NOK 9 billion from 2017, but in line with 2016. The logistics segment increased in proportion while the retail segment has continued to decline. Stavanger became a more attractive area for investors as the oil industry continues to grow. In total, Stavanger accounted for 11 per cent of the total transaction volume in

2018, which is an increase of 4 percentage points from last year. The sale of Bane NOR's head office, just outside the CBD (Central Business District) in Oslo, took place at a yield of 3.90 percent, which indicates that the yield requirements for attractive parts in the CBD remain at low levels around 3.75 percent. The limited interest from foreign investors confirms that the most attractive properties are too expensive for this investor group.

FINNISH PROPERTY MARKET

Finland has experienced a high level of activity in the property market and the total transaction volume in 2018 amounted to EUR 8 billion, which is lower than in 2017, when the transaction volume for the full year reached a record EUR 10.2 billion. The transaction volume in 2018 is historically the second highest observed in the Finnish property market, indicating that the property market remains strong. Compared with 2017, significantly more transactions were carried out during the year for residential portfolios. The office and logistics segments have remained strong in 2018 and both reached new record levels, with offices continuing to be the most traded segment. The healthcare property segment has also been active during 2018 and amounted to EUR 500 million, which is to be compared with EUR 410 million in 2017. Direct yield requirements in the most attractive areas have continued to decline during the year and have reached historically low levels.

EARNINGS CAPACITY

The current earning capacity for the Group on a 12-month basis is listed below. The earning capacity is based on the Group's real estate portfolio as of 31 December 2018. Current earning ability is not a forecast and should only be regarded as a hypothetical snapshot and is presented only to illustrate revenue and expenses on a yearly basis; given the real estate portfolio, financial costs, capital structure, and organization at a certain time. The impact of unrealized and realized value changes is not considered in the Group's earning capacity.

THE GROUP'S EARNINGS CAPACITY

	SEKm
Rental income	1 585
Operating costs	-307
Maintenance	-88
Management administration	-52
Property tax	-26
Net operating income	1 112
Central administration	-74
Results from associated companies / JV	65
Financial income from JV	27
Financial costs	-360
Profit from property management	770

The following information forms the basis for calculating the earnings capacity:

- *Contracted rental income on an annual basis (including supplements and rental discounts) and other property-related revenues on the basis of current lease contracts as of December 31, 2018.*
- *Operating and maintenance costs are based on budget.*
- *The property tax is calculated from the properties current tax assessment value as of December 31.*
- *Cost for central administration is based on current organisation.*
- *No financial profit has been assumed in the financial net. Financial expenses are based on contracted interest rates and include interest on external loans.*

RENTAL INCOME PER PROPERTY TYPE

The strength in SBB's portfolio lies in the income from low risk tenants as well as segments that constitute important public operations and services.

Classification ¹⁾	Rental income, SEKm	Total, %
Residential	451	28
Group Housing (LSS)	171	11
Government	688	43
Indirect government ²⁾	133	8
Other	142	9
Total	1 585	100

1) Classification at contract level

2) Government or government financed tenants

SBB's focus is on stable properties with long contracts in the segments Social infrastructure, that make up 65 per cent of the property value, Residential, which constitutes 27 percent of the property value and Other that constitutes 8 percent of the property value. The company is currently active in Sweden, which accounts for approximately 70 percent of the property value and Norway, which represents approximately 30 percent of the property value and Finland, which constitutes 1 per cent of the property value. SBB also develops building rights for residential and community properties in Sweden.

Focused exposure to the strong Swedish, Norwegian and Finnish economies with presence in regional cities with strong fundamental demand

SBB's focus within the residential segment is only in Sweden. The Swedish residential market is characterised by strict regulation, neglected residential construction and strong population growth, which has led to a deficit of residential in large parts of Sweden. Sweden is one of the countries with the highest expected population growth in the coming years, both compared with the other Nordic countries and Europe as a whole. At a regional level in Sweden, SBB is well positioned and is established in cities with positive population growth.

SBB has a Nordic focus on the social infrastructure property segment, and is currently active in Sweden, Norway and Finland. Social infrastructure properties include schools, elderly care, LSS housing, public authorities, municipal and government agencies and properties where rental income of at least 75 per cent of the total income from these properties is directly or indirectly from state financed tenants. While the population in the Nordic countries is growing strongly, the proportion of elderly people is also increasing, which together is expected to contribute to an increased need for care properties and other types of social infrastructure properties. Government and other tax-financed counterparties generally mean a lower counterparty risk for property owners relative to other property types. In addition, Swedish, Norwegian and Finnish government finances are among the most stable in Europe with relatively low government debt compared to other European countries.

Stable property portfolio focused on residential and social infrastructure properties characterised by a low tenant dependence, a high occupancy rate and long leases

SBB focuses primarily on residential in Sweden and social infrastructure properties in the Nordic region. Out of the company's total property portfolio, majority consist of the residential and social infrastructure property segments. These two segments make up approximately 91 per cent of the underlying value of SBB's total property portfolio. The company has identified these two types of properties as the most attractive based on the conditions and the relatively high risk-adjusted returns that these types of properties offer. Residential is characterised by high demand and low supply, and thereby a high occupancy rate, as well as low tenant dependence. Social infrastructure properties are often specially adapted and are also characterised by high occupancy rates and long contracts.

The rental regulation that exist in Sweden means that the rent is determined after a comparison with equivalent apartments and follows collectively negotiated rent levels in comparable areas. This means that the rent levels in many areas in Sweden are lower than if they were market-based. In other words, the household expenditure on residential is less than the actual willingness to pay. The fact that the rent levels are regulated and below market has a risk minimizing effect for the landlord as, together with a neglected rental residential construction, it has led to an increased demand for rental residential. The total economic occupancy rate for the residential segment is 96 per cent.

Social infrastructure properties are characterised by relatively low counterparty risk, since the counterparty typically conducts tax-financed activities and the lease agreements are normally longer than other commercial property segments. In addition, the occupancy rate is often higher as the premises are specially adapted to a relatively high level. For example, the SBB's LSS portfolio is fully leased and the total economic occupancy rate for the Social infrastructure Property segment is 98 percent.

Selective aquisitions

SBB focuses on residential properties and social infrastructure properties, property types that SBB's management have long experience of acquiring and managing. Residential properties are acquired in Sweden and will primarily be located in municipalities with a growing population and low unemployment. Social infrastructure properties are acquired in Sweden and the rest of the Nordic region with stable, tax-financed tenants as counterparty.

SBB has an elaborate, initial acquisition analysis consisting of two main parts. One part is the analysis of the situation and the long-term prospects for the current site with a focus on population and demography. The second part deals with analysis of the current property. These two factors in combination must be a sufficiently strong investment case for a deeper analysis and due diligence to be performed. Critical factors in acquisitions can mainly be different assessments of the property's technical condition after technical control, uncertainty regarding revenue where the parties have opposing view or legal risks primarily related to tax.

Traditional commercial properties are not specifically targeted by SBB. However, such types of property may be acquired as a minor part of a larger portfolio of residential properties, such as a ground floor with shops, or where there is a clear potential to convert these to building rights for residential.

KEY FIGURES BASED ON CURRENT EARNING CAPACITY

RESIDENTIAL

Property value, SEKm	6 720
Number of rental apartments ¹⁾	6 942
Lettalbe area, '000 sq.m.	502
Rental Income, SEKm	488
Net operating income, SEKm	256
Average rental income, SEK/sq.m.	971
Economic occupancy rate, %	96
Yield, % ²⁾	4,0

SOCIAL INFRASTRUCTURE

Property value, SEKm	16 435
Lettalbe area, '000 sq.m.	649
Rental Income, SEKm	987
Net operating income, SEKm	799
WAULT, years	7
Economic occupancy rate, %	98
Yield, % ²⁾	5,0

1) In addition to the reported number, SBB owns 1,700 apartments in two JV companies and announced further acquisitions of 1,700 apartments. The total number of apartments under management is thus 10 342, of which approximately 1 750 are in the Stockholm region.

2) Excluding building rights value of SEK 297m.

3) Excluding building rights value of SEK 299m.

HOUSING AND CARE PROPERTIES FOR PEOPLE WITH SPECIAL NEEDS (LSS AND SOL)

SBB is the largest private operator in the Nordic region with regard to housing and premises for people with disabilities. SBB offers municipalities, county councils and individual care companies various forms of care homes and premises for daily activities and education. The portfolio mainly consists of the subsidiary Högkullen's property portfolio.

The properties contain residential apartments, common areas and premises for daily activities and education. The businesses are run by municipalities and private care operators based on two central legislations. The main one is LSS (Law on support and service for certain disabled persons 1993: 387) and that law regulates help and service for people with disabilities. LSS housing is usually smaller group or service accommodation with access to professional assistance. The other legislation is Sol, the Social Services Act (2001: 453). Housing with special service and also HVB home (home for care or housing) is covered by the legislation. The subsidiary Högkullen's business started in connection with the entry into force of the LSS legislation and when several group homes were built by the country's many small-house manufacturers.

SBB provides various forms of housing with special service in the form of group housing, service housing or psychiatric housing. The group homes are designed with space for a maximum of six residents and with access to communal space, usually in direct connection with the apartments. The dwellings are designed to meet the specific requirements of LSS on individualized support with constant staffing at all times of the day. At present, SBB has several types of service housing in different types of property types. Either the service housing is built as a separate property or as part of another property, for example, apartment buildings. The service housing usually has room for ten to twelve residents. A psychiatric residence can accommodate up to 10 up to 25 residents.

SBB's business model is simple and focuses on renting custom made properties to municipalities and private care companies. As LSS places high demands on the municipalities to be able to provide sufficient support to those who have significant difficulties in their daily life, SBB wants to be an active partner who does everything possible to facilitate for all actors involved and to pursue projects together with those responsible within the municipality and / or or parental cooperative. SBB is well acquainted with the LSS legislation and what requirements it sets based on various housing types regarding numbers in relation to different LSS decisions. After identifying the customer's needs, the role of SBB and the scope of the offer is determined. Thereafter, suggestions are made on how the home should look and where it should lie. Either you choose a new establishment on a vacant site or find an existing house that is suitable for rebuilding and adapting to the requirements that the customer has. The dwellings are leased out on long-term contracts and the tenants are municipalities and public and private healthcare companies, which in turn sublet to the residents. It is important to note that the residents have security of tenure.

TENANTS

SBB's 10 LARGEST TENANTS IN THE SOCIAL INFRASTRUCTURE PROPERTY SEGMENT

Tenants	Rental income, SEKm ¹⁾
1. DnB Bank ASA	192
2. Statsbygg	97
3. Ambea	51
4. Västra Götalands Läns Landsting	29
5. Karlskrona kommun	28
6. Lunds universitet	24
7. Landstinget Dalarna	22
8. Attendo	22
9. Stockholms stad	21
10. Academedia	20
Total	506
Total SBB Social infrastructure Properties	987
<i>Of which the ten largest tenants</i>	<i>51,3%</i>
Total SBB	1 585
<i>Of which the ten largest tenants</i>	<i>31,9%</i>

1) Based on 12 months' rolling earnings capacity as of December 31, 2018

MATURITY LEASE STRUCTURE SOCIAL INFRASTRUCTURE PROPERTIES



VALUE CREATING PROPERTY MANAGEMENT

SBB works with active property management, which means that the inhouse management organisation is constantly finding and implementing ways to improve the use of properties and their operating net.

Good cooperation with Oskarshamn Municipality continues

In the previous annual report, SBB described how a grocery store was converted into an LSS accommodation on a 15-year lease with Oskarshamn municipality. In 2018, SBB has converted another property, Älvehult 2:18 in Påskallavik, to an LSS accommodation with 7 homes (6 LSS apartments and 1 emergency room for the municipality's special needs) also on a 15-year agreement. This shows SBB's ability to, in close co-operation with the municipality, identify needs and solve them by developing the existing stock.

Energy projects

In 2018, energy reducing projects were started up in two major residential properties in Tidaholm and one in Skara. The energy reducing projects aim to reduce the amount of energy purchased by recovering heat from exhaust air connected to heat pumps. The goal is to reduce energy consumption by 30%. The total heated surface of the properties is about 35.000 sq.m. and a reduction of the energy consumption in these properties, in addition to a good economic return, gives a good environmental effect. During the year, planning and project planning have also been carried out for additional energy projects in the portfolio with the corresponding system solution as above but where we also add waste water heat exchangers as energy source to the heat pumps.

Energy monitoring system

In order to better monitor the energy performance of our properties, SBB has acquired an energy monitoring system, Momentum Resource Control. This system facilitates the collection and analysis of consumption figures and allows us to analyze and oGFAin key figures in an easy way. With this system, we can get better information about our properties' consumption and find deviations and make efforts and savings projects where the potential is greatest.

Renovations

A large part of SBB's residential portfolio was built between the years 1960 and 1975 (often referred to as the "one million flats program") and need to undergo some refurbishment to meet current and future tenant requirements for quality and comfort. This is done by successive renovations coordinated with end of lease vacancy periods of the apartments. Prior to renovation, assessments are made as to whether additional value-creating changes can be made. For example, large-rooms of apartments are reconfigured to create extra rooms so that the property can be better utilized in the future. SBB aims to renovate to an attractive standard that appeals to both new and existing tenants. Once renovations are planned, SBB strives to always reach agreement with the tenant association on a new rent level that will recognise the renovation. SBB has already reached agreement for about 80 percent of the stock is planned to be renovated, and negotiations are underway for the remainder.



Simplification of rental work

During the year, SBB has acquired a system that simplifies the leasing process for both letting personnel and home seekers. The system is called HomeQ and is a platform where the company can easily market and publish their vacant apartments and where the home seekers can easily queue up and submit their application with BankID. Now all vacant apartments are available at www.sbbnorden.se or at www.homeq.se.

PROPERTY DEVELOPMENT

SBB works actively with property development. The company's strategy is to have 10-20 percent of the property portfolio consisting of the property segment "Other"; cash flow properties with an identified development potential. The segment shall generate an average profit of SEK 250 – 400m per year over a business cycle. The properties acquired by SBB within the segment "Other" are cash flow properties with an identified development potential that will generate a positive cash flow until the development begins. The acquisitions are usually made off-market and after SBB has ensured with each municipality that the property and its immediate area is a prioritized location for urban development.

SBB believes that a crucial factor for sustainable community- and urban development is location and, most importantly, locations with easily accessible communications. In modern day urban living it should be possible to live without owning a car and in order to do so, communications, services, health care, schools and care services must be in the immediate vicinity. SBB has made several property acquisitions of development areas by railway stations. Several of SBBs development areas are in prioritized areas of communications, such as at locations with commuter train stations and other major rail way stations.

SBB's Property Development Organisation

SBB has a business orientated project organization with substantial experience within property development and transactions. The organization, which as of autumn 2018 has been strengthened with further resources in the development team, is led by Deputy CEO Krister Karlsson and handles approximately 930,000 sq.m. GFA (gross floor area) in various stages in the planning process. SBB works actively in creating flexible and rational building rights in various segments (e.g. co-operatively owned housing, rental housing and community buildings) and create building rights that are attractive to many investors, both cooperative companies, publicly traded companies and public housing companies. During 2018, SBB's property development organization has properties containing approx. 270,000 GFA building rights to a value of approx. SEK 780m.

Building Rights

As at 31-12-2018 SBB had ongoing development projects in various stages of the planning process, with a total area of approximately 900,000 sq.m. GFA (gross floor area). The planning process in Sweden consists of various phases and SBB categorizes them as follows; Project ideas (phase 1), Pending formal planning decision (phase 2), Formal planning process initiated (phase 3), Zoning plan granted (phase 4). The following table illustrates SBB's various projects.

Sold but not yet closed means that closing has not occurred due to conditions that are not yet fulfilled, conditions such as that the zoning plan needs to be granted for closing to take place. The sales have however to a certain extent been considered in connection with the valuation of the properties and thus affected the unrealized value changes.

SBB estimates that the value of the building rights portfolio upon being granted zoning plan (phase 4) will exceed the book value by SEK 500 – 750m.

Municipality	Property	Building rights sq.m. GFA
Development projects with received planning notification		
Nyköping	Raspen 1,2,3	156 000
Haninge	Kalvsvik 11:9, 1:4 m.fl	135 000
Haninge	Åby 1:67 m.fl.	110 000
Falun	Falun 9:22	100 000
Nykvarn	Kaffebryggaren 1	33 500
Falun	Högbo 1:22	28 020
Norrköping	Järven 4	21 800
Bollnäs	Bro 4:4 m.fl.	15 000
Karlstad	Letten 1	12 000
Borlänge	Klövervallen 1 m.fl.	10 100
Oskarshamn	Hälsan 22	10 000
Sundsvall	Härsta 9:3 m.fl.	7 500
Ulricehamn	Krämare 4	7 000
Karlshamn	Lasarettet 8	6 500
Lund	Landsdomaren 7	5 500
Karlskrona	Gullbernahult 1	5 000
Total with planning notification (GFA) (phase 3)		682 920
Project ideas (GFA) (phase 1)		55 580
Pre-planning notification (GFA) (phase 2)		85 000
Planning notification		110 140
Detailed development plan(GFA) (phase 4)		110 140
Total building rights portfolio (GFA) (all phases)		933 640
<i>Of which are Land Allocations (GFA)</i>		244 900
<i>Of which are sold but not completed (GFA)</i>		428 650
<i>Total value, sold but not completed building rights (SEKm)</i>		1 522
<i>Average price, sold but not completed building rights (SEK/sq.m.)</i>		3 550

KEY EVENTS IN THE FOURTH QUARTER 2018

- Sale of approx. 29 120 sq.m. building rights in Sweden and Norway for SEK 123m in various phases of the zoning process.
- Decision on granting the zoning plan for Nykvarn Kaffebryggaren 1. *Total volume of approx. 33,500 sq.m. GFA.*
- Decision on review for zoning plans regarding Ulricehamn Krämaren 4, Oskarshamn Hälsan 22 and Bollnäs Bro 4:4 among others. *Total volume of approx. 32,000 sq.m. GFA.*
- Decision on public consultation for zoning plan regarding Karlshamn Lasarettet 8. *Total volume of approx. 6,500 sq.m. GFA.*
- Planning process has been formally initiated for the projects Motala Tellus 1, Sundsvall Västland 26:39 and Sundsvall Härsta 9:3. *Total volume of approx. 27,500 sq.m. GFA.*

KEY EVENTS IN 2018

- SBB's property development organization during 2018 has properties containing approx. 270,000 GFA building rights to a value of approx. SEK 780m.
- Cash-flow from property development of approx. SEK 135m.
- Signed lease agreements and commenced construction of four group housing homes (LSS).
- The new owners of 35 apartments in the JV-project Bacchus in Falkenberg have moved in.
- Decision on granting the zoning plan for Nykvarn Kaffebryggaren 1. *Total volume of approx. 33,500 sq.m. GFA.*
- Decision on review for zoning plans regarding Nykvarn Kaffebryggaren 1, Oskarshamn Hälsan 22, Bollnäs Bro 4:4, Ulricehamn Krämaren 4. *Total volume of approx. 65,500 sq.m. GFA.*
- Decision on public consultation for zoning plans regarding Nyköping Raspen 1-3, Jordbro Centrum phase 1, Oskarshamn Hälsan 22, Bollnäs Bro 4:4, Karlshamn Lasarettet 8 and Ulricehamn Krämaren 4. *Total volume of approx. 214,500 sq.m. GFA.*

Planning process has been formally initiated for the projects Borlänge Kvarnsveden 3:196-197, Borlänge Klövervallen 1, Sundsvall Västland 26:39, Sundsvall Härsta 9:3, Jordbro Centrum phase 2, Lund Landsdomaren 7, Karlskrona Gullbernahult 1, Motala Tellus 1 and Karlskrona Psilander 60 (now sold). *Total volume of approx. 112,570 sq.m. GFA*

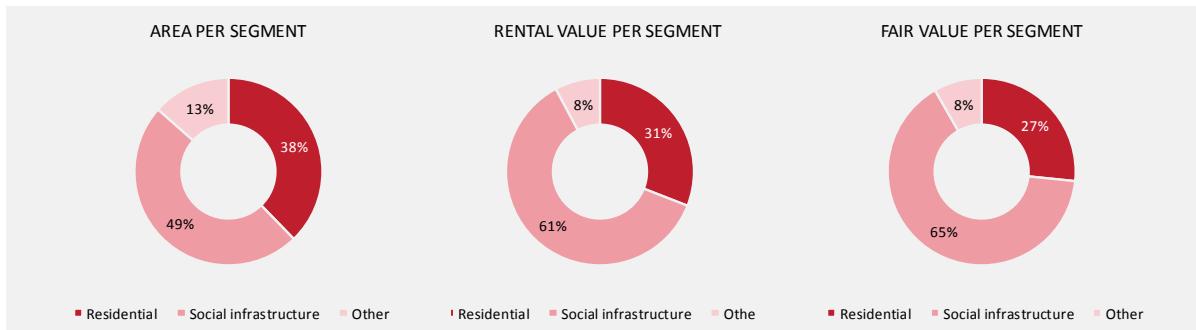
Property Development in Joint Ventures

To contribute to urban development and to ensure production resources, a Joint Venture collaboration with the buyer has been set up regarding the development of the building rights. SBB estimates the potential profit of these collaborations to approx. SEK 600-800m after deducting SBB's own investment in the building rights. This potential gain is to be added in addition to previously described surplus values. In these JV collaborations, SBB takes a very limited risk concerning the implementation of the building rights as the responsibility for the design, sales, production and project management lies on the other JV-party. The potential profit of approx. SEK 600-800m relates to a five-year period and has not been considered in any part of the financial statements.

The pictures below show a newly built LSS accommodation with Attendo as tenant and the type of plan at SBB's developed type house for LSS. In 2018, SBB signed an agreement for the construction of four new LSS dwellings.



REGIONS



	Rental Income, SEKm	Property costs, SEKm	Operating surplus, SEKm	Surplus ratio, %
Stockholm	265	81	184	70
Malmö	212	72	139	66
Gothenburg	83	30	53	64
Middle Sweden	339	147	192	57
Dalarna	223	96	127	57
Northern Sweden	69	23	46	67
Oslo	317	14	302	96
Kristiansand	63	4	58	93
Finland	14	5	9	64
<i>Residential</i>	488	231	256	53
<i>Social infrastructure</i>	987	188	799	81
<i>Other</i>	110	53	57	52
TOTAL	1 585	472	1 112	70

	Property value, SEKm	Area, '000 sq.m	Rental value, SEKm	Occupancy rate, %
Stockholm	5 228	209	273	97
Malmö	3 129	184	221	96
Gothenburg	1 041	114	90	92
Middle Sweden	4 538	386	361	94
Dalarna	2 715	228	236	95
Northern Sweden	940	71	72	96
Oslo	6 632	88	317	100
Kristiansand	885	36	63	100
Finland	134	14	14	100
<i>Residential</i>	6 720	502	509	96
<i>Social infrastructure</i>	16 435	649	1 009	98
<i>Other</i>	2 088	179	128	86
TOTAL	25 243	1 330	1 647	96

STOCKHOLM

Region Stockholm consists of Stockholm County and neighboring municipalities such as Uppsala and Västerås municipality.

At the end of 2018, Stockholm County had approximately 2.3 million inhabitants and during 2015-2018, it experienced a population increase of 5%. Stockholm County accounts for about 30 percent of Sweden's total GDP, more than one third of Sweden's companies are located in the region, which, together with several state institutions, creates Sweden's largest labor market. In total, approximately 100,000 people commute daily to Stockholm County. The region also hosts 21 universities and educational establishments.

In this expanding growth region SBB has 4 different development projects all in good locations close to good transport links in Haninge, Nyköping and Nykvarn. In total, the community building company intends to create 434,500 sq.m. GFA building rights in the region.

SBB owns a total of 114 properties in the region with a total lettable area of 209,000 sq.m and 650 apartments in the region.

The three largest tenants in the region are the City of Stockholm, Ambea and Västerås City, representing approximately 36 percent of the total rental income for SBB in the region.

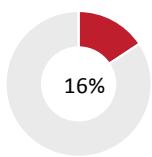




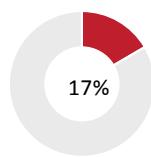
Exterior from the preschool property Ormen Långe 9 in Huddinge, Stockholm.

SHARE SBB

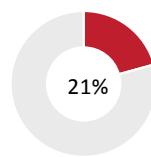
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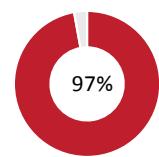
RENTAL INCOME



FAIR VALUE



ECONOMIC
OCCUPANCY RATE



Municipality	Lettalbe area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Stockholms län	102	165	3 600	98
Nyköping	53	32	561	90
Västerås	15	27	405	100
Flen	28	30	352	93
Other	11	18	309	95
REGION STOCKHOLM	209	273	5 228	97
SBB	1 330	1 647	25 243	96

Malmö

In addition to the municipality of Malmö, region Malmö includes the municipality of Lund, Karlskrona municipality and neighboring municipalities.

The southern part is mainly represented by Malmö and Lund municipalities, both of which are also included in the metropolitan area of Malmö-Copenhagen region. The region is characterised by research and an expansive business environment. Within the region, more than 14,000 researchers, 190,000 students, 19 innovation hubs and research parks, and 17 universities and other education establishments are located. The region (Lund) also hosts two of Europe's largest research facilities, Max-Lab IV and ESS, which further contributes to strengthening the attractiveness of the region. In the eastern part of the region is Karlskrona. Karlskrona has a long marine history and has been classified by UNESCO as a World Heritage Site. The city is a regional city within Blekinge County with an active business community and a growing university. The municipality currently has about 5,000 companies and works actively to further develop its business. Blekinge Institute of Technology (BTH) is a clearly profiled university where IT and innovation for sustainable growth are the focus. BTH has approximately 6,000 registered students. Karlskrona municipality has approximately 67,000 inhabitants.

The SBB owns a total of 72 properties in the region with a total leasable area of 184,000 sq.m. The company also owns 751 rental apartments in the region.

The three largest tenants in the region are Karlskrona municipality, Lund University and Norlandia, representing approximately 48 percent of the total rental income for SBB in the region.

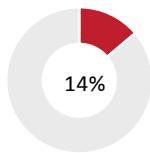




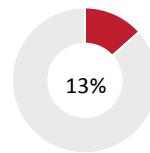
View of the residential property Gullbernahult 31, Karlskrona.

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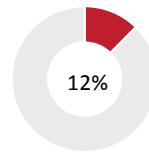
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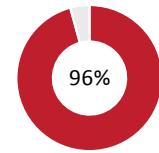
RENTAL INCOME



FAIR VALUE



ECONOMIC OCCUPANCY RATE



Municipality	Lettable area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Karlskrona	81	94	1 404	99
Malmö/Lund	22	35	540	100
Höganäs	23	28	438	100
Other	57	64	748	88
REGION Malmö	184	221	3 129	96
SBB	1 330	1 647	25 243	96

GOTHENBURG

Region Gothenburg consists of the municipality of Gothenburg and includes neighboring municipalities as well as the municipality of Falkenberg.

Gothenburg is Sweden's second largest city. Gothenburg region's population grew by about 15% per cent during the 2000s and currently stands at about one million, of which 572,000 resided in Gothenburg municipality at the end of 2018. The forecast for the Gothenburg region is an increase about 10,000 inhabitants per year. The region is expected to have an additional 180,000 residents and 110,000 workplaces by 2030. All municipalities in Western Götaland reported an acute shortage of housing, especially in the rental apartments sector. The waiting times for housing through the municipal housing agency Boplats is on average about 2,000 days to secure a tenancy in the municipality of Gothenburg.

Gothenburg has a long history of international exchanges, and today 30 percent of Swedish foreign trade passes through Gothenburg. Internationalization is also visible in the labor market, as several large global companies are established in the city, such as Volvo Cars and Astra Zeneca.

The SBB owns a total of 22 properties in the region with a total rental area of 114,000 sq.m. The company owns 9 apartments in the region.

The three largest tenants in the region are Västra Götaland County Council, Uddevalla municipality and Borås municipality, representing approximately 71 percent of the total rental income for SBB in the region.

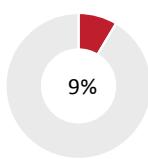




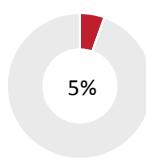
Exterior of the property Klövern 7, Vänersborg.

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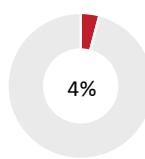
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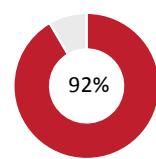
RENTAL INCOME



FAIR VALUE



ECONOMIC OCCUPANCY RATE



Municipality	Lettable area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Falkenberg	56	29	345	85
Uddevalla	17	19	208	98
Göteborg	15	15	196	100
Other	27	27	292	89
REGION GOTHENBURG	114	90	1 041	92
SBB	1 330	1 647	25 243	96

MIDDLE SWEDEN

The region of Middle Sweden consists of a number of municipalities between the regions Stockholm, Gothenburg, Malmö and Dalarna such as Oskarshamn, Motala and Karlstad.

Skövde / Skaraborg is the largest administrative area in the region. The area houses the University of Skövde which conducts outstanding research within five specializations: Information Technology, Systems Biology, Virtual Engineering, Health and Learning and Future Entrepreneurship.

Oskarshamn Municipality is the second largest municipality in the region. Oskarshamn is an important port city with, among other things, ferry services to Visby on Gotland and Byxelkrok on Öland. Oskarshamn's port also has extensive freight traffic both national and international. The city is also a genuine industrial city with many successful industries. Among the larger industries are Scania, the nuclear power plant OKG, SA FT AB (battery manufacturing) and Liljeholmens Stearinfabriks AB.

Karlstad is in the region and hosts Sweden's youngest university with approximately 16,000 students studying towards becoming teachers, civil engineers, economics and nurses. Karlstad is also home to a large central hospital and a number of authorities, such as the Consumer Agency and the Swedish Civil Contingencies Agency.

The SBB owns a total of 224 properties in the region with a total rental area of 386.000 sq.m. The company owns 3,165 apartments in the region

The three largest tenants in the region are Ambea, Skara municipality and Västra Götaland County Council, representing approximately 28 percent of the total rental income for SBB in the region.

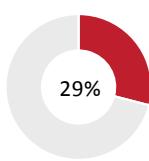




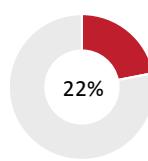
Exterior of the residential area Rud, Karlstad.

SHARE SBB

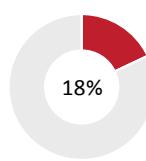
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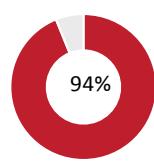
RENTAL INCOME



FAIR VALUE



ECONOMIC OCCUPANCY RATE



Municipality	Lettalbe area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Oskarshamn	102	96	1 158	97
Karlstad	20	23	398	96
Motala	36	32	380	87
Other	228	210	2 601	93
REGION MIDDLE SWEDEN	386	361	4 538	94
SBB	1 330	1 647	25 243	96

DALARNA

The Dalarna Region consists mainly of Falun, Borlänge and Ludvika Municipality.

Traditionally, Borlänge has been characterised as a tangible industrial city with mainly the steel and paper industry. It is today dominated by SSAB Tunnplåt Borlänge and Stora Enso Kvarnsveden. In recent decades, the industrial dominance has declined, and today Borlänge also has a well-developed private and public service sector. Borlänge houses is one of Högskolan Dalarna's two campus areas and both the Swedish Transport Administration and the Swedish Transport Agency have their headquarters in the municipality. Borlänge is also the center of the county's wholesale and retail trade, country road and rail and air transport. Borlänge population has increased steadily and is expected to continue so until 2025, when its population is predicted to be approximately 54,500.

Falun is the capital city of Dalarna County. The city is built around the copper mine and for centuries was Sweden's most important business activity. The population in Falun in 2018 amounted to 58 923, which represents about 20.5 per cent of the population in the county. The population of Falun increased by 3.3 per cent between 2015–2018. Falun houses Högskolan Dalarna's second campus area.

The SBB owns a total of 90 properties in the region with a total rental area of 228,000 sq.m. The company owns 1,768 apartments in the region.

The three largest tenants in the region are the Dalarna and Borlänge municipalities and the Swedish Transport Agency. These represent approximately 58 per cent of the total rental income for SBB in the region.

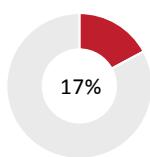




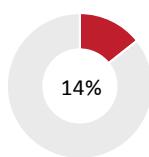
Exterior from the Municipal Building in Borlänge, Dalarna.

SHARE SBB

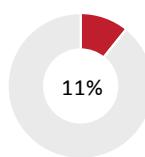
LETTABLE AREA



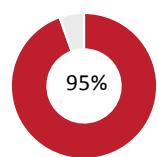
RENTAL INCOME



FAIR VALUE



ECONOMIC OCCUPANCY RATE



Municipality	Lettalbe area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Borlänge	48	63	926	98
Falun	61	63	922	95
Säter	52	46	283	89
Other	67	65	644	96
REGION DALARNA	228	236	2 775	95
SBB	1 330	1 647	25 243	96

NORTHERN SWEDEN

Region Northern Sweden consists of all municipalities north of Dalarna County.

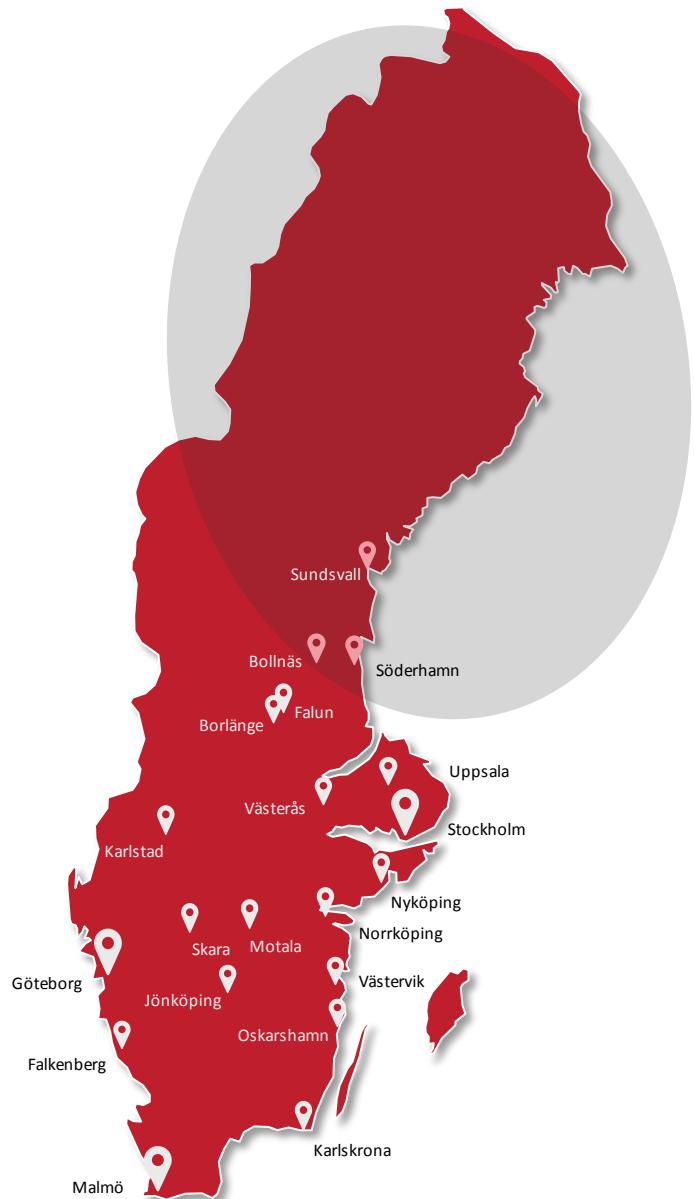
Sundsvall is in an expansive phase with the target to reach 100,000 inhabitants by 2021. The municipality has detailed plans for the development of up to 10,000 new homes to meet both the expected population growth and the current housing shortage. The plans make it clear that housing construction is to a large extent done through densification. The construction of the Sundsvall Bridge, which enabled the relocation of the E4, has freed urban and land near the sea for development of new business, residential and recreational areas. Sundsvall is located in a strategic position for road, rail, boat and air traffic. The first stage expansion to double tracks on the Sundsvall-Gävle railway line will offer great opportunities to attract new residents and business establishments.

Bollnäs is the second largest municipality in the region. The municipality has approximately 27,000 inhabitants and has experienced population growth of about 1.5 per cent over the last three years.

SBB has signed a letter of intent with Bollnäs municipality to construct a new bandy hall (sports hall) in Bollnäs with a 25-year lease.

The company currently owns a total of 22 properties in the region with a total rental area of 71,000 sq.m. SBB owns 390 apartments in the region.

The three largest tenants in the region are Sundsvall municipality, Luleå municipality and Ambea, representing approximately 57 per cent of the total rental income for SBB in the region.

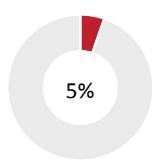




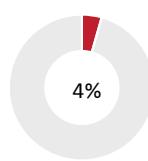
View of the property Härsta 9:5, Sundsvall.

SHARE SBB

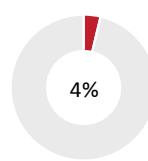
LETTABLE AREA



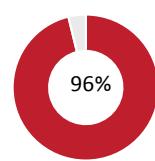
RENTAL INCOME



FAIR VALUE

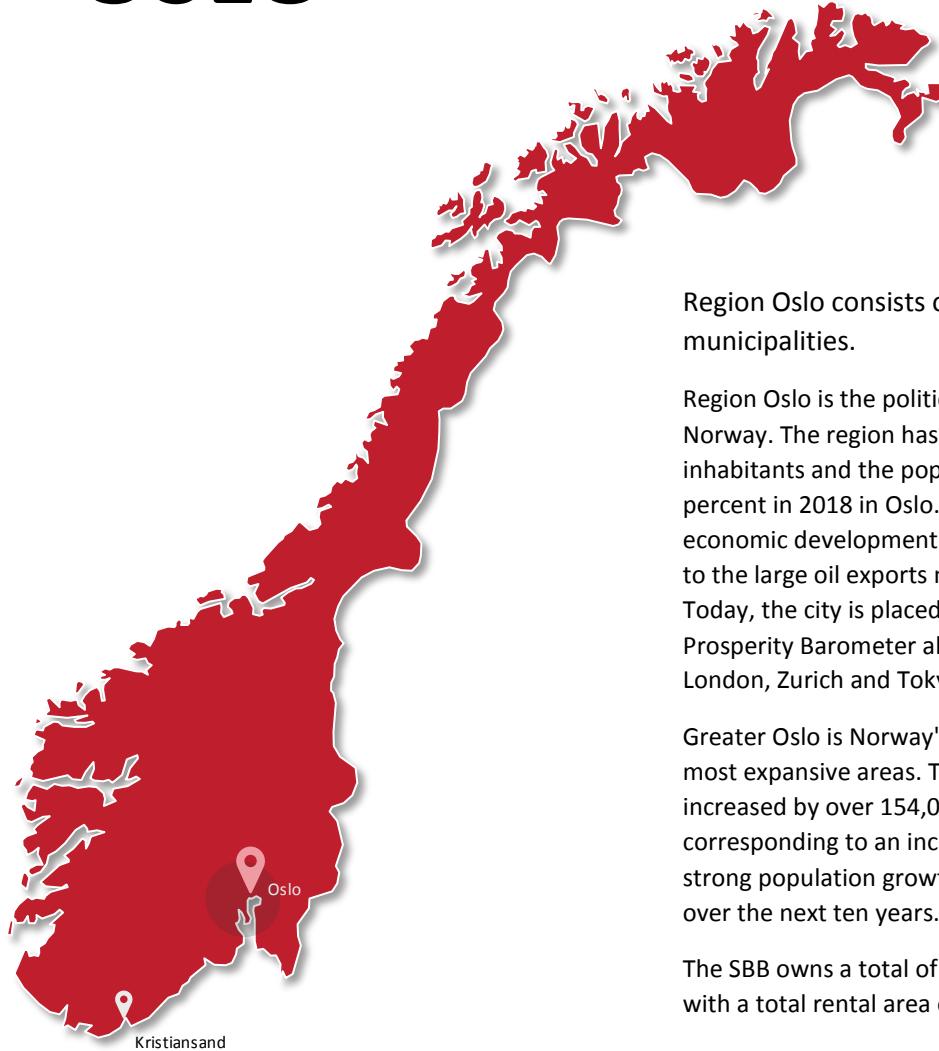


ECONOMIC OCCUPANCY RATE



Municipality	Lettalbe area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Sundsvall	25	24	382	96
Söderhamn	17	17	183	91
Luleå	10	12	155	99
Other	19	19	160	99
REGION NORTHERN SWEDEN	71	72	880	96
SBB	1 330	1 647	25 243	96

OSLO



Region Oslo consists of Oslo and neighboring municipalities.

Region Oslo is the political and economic center of Norway. The region has a population of 1.5 million inhabitants and the population increased by about 1 percent in 2018 in Oslo. Oslo has experienced strong economic development in recent decades, partly due to the large oil exports made since the late 1960s. Today, the city is placed in the top category of the UN Prosperity Barometer along with cities such as London, Zurich and Tokyo.

Greater Oslo is Norway's and one of the Nordic's most expansive areas. The population in Oslo city has increased by over 154,000 people since 2002, corresponding to an increase of 30 per cent. The strong population growth is expected to continue over the next ten years.

The SBB owns a total of 12 properties in the region with a total rental area of 88,000 sq.m.

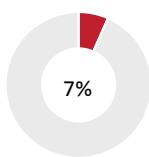
The three largest tenants in the region are DNB, the Ministry of Justice and Attendo, which represent approximately 93 percent of the total rental income for SBB in the region.



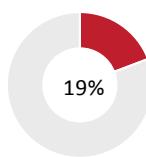
Interior of DNB's head quarter in the Barcode area in Oslo.

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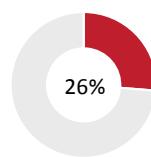
LETTABLE AREA



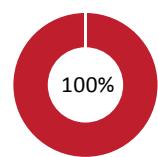
RENTAL INCOME



FAIR VALUE



ECONOMIC
OCCUPANCY RATE



Municipality	Lettable area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Oslo	70	282	6 044	100
Drammen	5	12	238	100
Tønsberg	6	13	197	100
Other	7	10	154	100
REGION OSLO	88	317	6 632	100
SBB	1 330	1 647	25 243	96

KRISTIANSAND



Region Kristiansand consists of Kristiansand and nearby municipalities.

The largest part of the region is Kristiansand, which is the regional city of Vest-Agder County, in southern Norway. Kristiansand is Norway's fifth largest city and sixth largest municipality. Kristiansand is characterised by numerous research and educational institutions that have made a home in the region. Kristiansand also has an international port that provides the Norwegian oil industry and renewable energy sector with service, personnel and equipment.

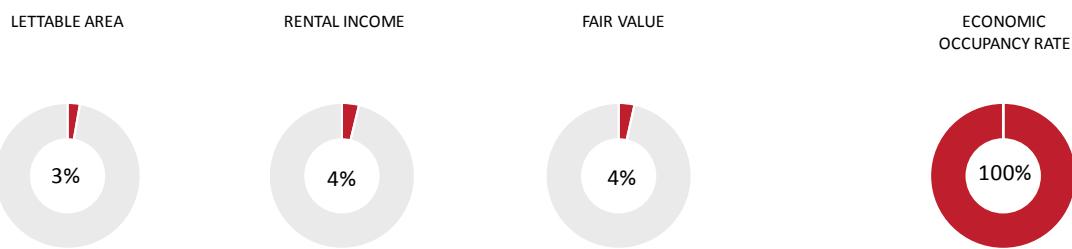
The SBB owns a total of 9 properties in the region with a total rental area of 36,000 sq.m.

The three largest tenants in the region are Vest Agder County Council, NAV Vest Agder (the Norwegian Employment Service) and the County Governor of Aust- og Vest-Agder, which represent approximately 62 percent of the total rental income for SBB in the region.



Outside view of the property Vestre Strandgate 21, Kristiansund, where the Customs Authority is tenant.

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Municipality	Lettable area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Kristiansand	33	56	780	100
Arendal	3	6	106	100
REGION KRISTIANSAND	36	63	885	100
SBB	1 330	1 647	25 243	96

FINLAND

Region Finland consists of Helsinki, Tampere and neighboring municipalities.

Helsinki is the capital of Finland, the largest city and the country's cultural and political center. Helsinki contributes 40% of the total gross domestic product in Finland. Sixty nine percent of listed companies in Finland are domiciled in Helsinki. The capital has a population of about 650,000 and about 1.2 million people live in the region. The population of the Helsinki region is expected to increase by 10.4% by 2030. Vantaa is located just outside central Helsinki. Vantaa has about 225,000 inhabitants and is Finland's fourth largest city in terms of number of inhabitants.

Tampere is Finland's second largest region in terms of population; it has a population of about 230,000 inhabitants in the city and about 334,000 inhabitants in the region. Tampere has a long academic tradition and at the beginning of 2019, the city's university colleges merged into Tampere University, with around 30,000 students.

The SBB owns a total of 5 properties in the region with a total rental area of 14,000 sq.m.

The three largest tenants in the region are Luhatuuli Oy, Mehiläinen Hoivapalvelut and Esperi Care Oy, representing approximately 93 percent of the total rental income for the company in the region.





Exterior view of the property Hyrkin Puisto care home in Sastamala where Luhatuuli Oy is tenant.

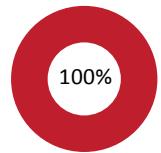
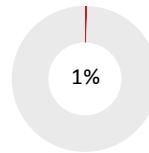
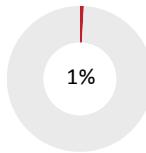
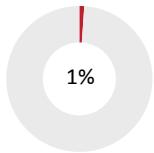
SHARE SBB

LETTABLE AREA

RENTAL INCOME

FAIR VALUE

ECONOMIC
OCCUPANCY RATE



Municipality	Lettalbe area, '000 sq.m	Rental income, SEKm	Fair value, SEKm	Economic occupancy rate, %
Vantaa	4	6	52	100
Sastamala	6	6	43	100
Ikaalinen	4	3	38	100
REGION FINLAND	14	14	134	100

SBB	1 330	1 647	25 243	96
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TRANSACTIONS

During the period, SBB acquired 98 properties with a total lettable area of 211,000 sq.m. During the period, SBB signed a contract for sale of building rights totaling 267,000 GFA, the completion of the sale will conclude with the detail plans for the building rights are legally binding. Furthermore, SBB completed divestments of 280 cash flow properties with a lettable area of 272,000 sq.m.

ACQUISITION

Municipality	Property	Category	Rental income, SEK '000	Lettable area, sq.m.	Closing
Sastamala	Hyrkkin Puisto Care Home	Social infrastructure	3 077	3 268	Q1
Sastamala	Liekolakoti Care Home	Social infrastructure	1 496	1 300	Q1
Ikaalinen	Luhalahti Home Care	Social infrastructure	2 933	4 093	Q1
Stockholm	Vårholmen 6	Residential	11 243	5 119	Q2
Nacka	Lännersta 112:14	Residential	727	362	Q2
Nacka	Orminge 60:2	Residential	3 480	2 077	Q2
Nacka	Orminge 62:1	Residential	2 270	1 095	Q2
Nacka	Sicklaön 126:10	Residential	1 137	560	Q2
Nacka	Sicklaön 126:12	Residential	3 082	1 696	Q2
Stockholm	Skrubbhyveln 4	Residential	1 489	926	Q2
Vantaa	Tanhurinne 4	Social infrastructure	5 702	4 320	Q2
Falun	Lilla Näs 3:41, 3:43, 3:42	Residential	2 703	2 751	Q2
Falun	Korsnäs 2:26	Residential	607	737	Q2
Falun	Korsnäs 7:1	Residential	1 897	1 940	Q2
Falun	Korsnäs 8:1	Residential	689	755	Q2
Falun	Korsnäs 2:13	Residential	416	496	Q2
Karlskrona	Monsunen 1	Residential	6 643	6 637	Q2
Karlskrona	Dahlberg 3 & 4	Other	437	702	Q2
Karlskrona	Stora vörta 1:62 & 1:63	Social infrastructure	359	333	Q2
Karlskrona	MO 1:95	Social infrastructure	0	333	Q2
Karlskrona	Af Klint 21	Social infrastructure	10 663	7 438	Q2
Karlskrona	Mo 1:2	Social infrastructure	7 139	6 080	Q2
Karlskrona	Kvarnhöjden 1	Residential	6 000	6 179	Q2
Karlskrona	Verkö 3:118	Residential	6 841	6 549	Q2
Avesta	Kräkan 1	Residential	6 535	6 530	Q2
Avesta	Majsen 3	Residential	13 692	13 781	Q2
Avesta	Horndals Bruk 2:23	Residential	2 978	3 416	Q2
Avesta	Horndals Bruk 2:24	Residential	2 231	2 321	Q2
Avesta	Ingeborgbo 1:15	Residential	578	630	Q2
Avesta	Ingeborgbo 1:31	Residential	111	323	Q2
Avesta	Ingeborgbo 2:51	Residential	879	1 052	Q2
Avesta	Ingeborgbo 3:24	Residential	299	293	Q2
Avesta	Ingeborgbo 3:37	Residential	955	1 034	Q2
Avesta	Ingeborgbo 43:2	Residential	1 232	1 134	Q2
Avesta	Ingeborgbo 5:19	Residential	288	320	Q2
Avesta	Ingeborgbo 63:13	Residential	200	210	Q2
Oskarshamn	Ingefåran 3	Residential	1 934	1 958	Q2
Oskarshamn	Backus 19	Residential	638	805	Q2
Oskarshamn	Backus 13	Residential	691	836	Q2
Oskarshamn	Verkstaden 7	Residential	572	606	Q2
Oskarshamn	Verkstaden 8	Residential	434	542	Q2
Oskarshamn	Älvhult 1:216	Residential	416	598	Q2
Oskarshamn	Vile 1	Residential	170	198	Q2
Oskarshamn	Bryggaren 19	Residential	271	256	Q2
Oskarshamn	Njord 5	Residential	1 542	1 512	Q2
Oskarshamn	Ador 10	Residential	962	1 139	Q2
Oskarshamn	Ekorren 7	Residential	670	843	Q2
Oskarshamn	Norr torn 82	Residential	3 618	3 858	Q2
Oskarshamn	Fisken 2	Residential	3 115	4 212	Q2
Oskarshamn	Frej 6	Residential	3 681	4 172	Q2
Oskarshamn	Wiola 7	Residential	2 543	2 788	Q2
Oskarshamn	Fårbo 8:13	Residential	717	808	Q2
Oskarshamn	Fårbo 12:3	Residential	644	1 017	Q2
Oskarshamn	Måsen 2	Residential	518	709	Q2
Oskarshamn	Ador 11	Residential	551	883	Q2

Oskarshamn	Ador 9	Residential	773	923	Q2
Oskarshamn	Fårbo 30:2	Residential	594	557	Q2
Oskarshamn	Tornadon 7 / Orkanen 31	Residential	1 179	1 576	Q2
Oskarshamn	Orion 4	Residential	1 888	2 172	Q2
Vimmerby	Fabrikören 29	Social infrastructure	5 650	6 120	Q2
Stockholm	Kulltorp 3	Social infrastructure	13 361	5 922	Q3
Göteborg	Kobbegården 6:55	Social infrastructure	2 510	1 290	Q3
Tønsberg	Ryllikveien 33	Social infrastructure	5 427	2 655	Q3
Tønsberg	Nesalléen 69	Social infrastructure	6 977	2 459	Q3
Tønsberg	Rylikkeien 27, 29 & 31 och Østerveien 6	Social infrastructure	148	149	Q3
Enköping	Villbergaby 6:64	Social infrastructure	1 047	400	Q3
Gagnef	Skogen 3:72	Social infrastructure	939	602	Q3
Upplands Väsby	Övra Runby 2:343	Social infrastructure	490	323	Q3
Jönköping	Rogberga-Vissmålen 1:9	Other	2 408	9 706	Q3
Gotland	Visby S:t Gertrud 12	Residential	0	255	Q3
Luleå	Porsön 1:403	Social infrastructure	11 822	9 555	Q4
Oskarshamn	Måsen 1	Residential	618	707	Q4
Mullsjö	Sjöryd 1:192	Social infrastructure	102	90	Q4
Höganäs	Thor 8	Residential	2 433	2 102	Q4
Höganäs	Höganäs 34:69	Residential	2 318	2 221	Q4
Höganäs	Hotellet 1	Residential	846	933	Q4
Höganäs	Triangeln 6	Residential	2 541	2 367	Q4
Höganäs	Lyran 20	Residential	1 655	1 506	Q4
Höganäs	Ceres 20	Residential	2 247	1 863	Q4
Höganäs	Vattumannen 13	Residential	2 594	2 274	Q4
Höganäs	Lyran 18	Residential	838	606	Q4
Höganäs	Lerberget 49:710	Social infrastructure	4 701	2 950	Q4
Höganäs	Noshörningen 14	Social infrastructure	2 788	2 211	Q4
Sundbyberg	Grönskogen 7	Social infrastructure	5 777	2 825	Q4
Karlskrona	Gullbernahult 23	Social infrastructure	3 750	3 100	Q4
Stockholm	Kadetten 29	Social infrastructure	5 791	10 100	Q4
Falun	Högbo 1:22	Social infrastructure	5 744	5 699	Q4
TOTALT			234 647	210 747	

DIVESTMENTS BUILDING RIGHTS

Municipality	Property	Volume GFA	Amount, '000 SEK	Signing	Comment
Nykvarn	Tillbringaren 2	4 000	-	Q1	Closed
Karlskrona	Gullbernahult 1 m.fl.	27 100	81 300	Q2/Q4	
Höganäs	Sjöcrona 5	4 000	16 000	Q2	
Falun	Falun 9:22	14 700	41 280	Q2	
Nykvarn	Kaffebryggaren 1	17 000	85 000	Q2	
Haninge	Åby 1:67 m.fl.	43 000	203 000	Q2	
Nyköping	Raspen 1	22 850	79 550	Q2/Q3	
Kävlinge	Rödjan 7	20 000	65 000	Q2	
Karlstad	Letten 1	10 000	28 000	Q2	
Karlshamn	Lasarettet 8	5 000	7 500	Q2	
Motala	Tellus 1	5 000	7 500	Q2	
Sundsvall	Härsta 9:3	5 000	14 500	Q2	
Borlänge	Kvarnsveden 3:196-197	5 000	7 500	Q2	
Uppsala	Flogsta 22:3	45 000	22 500	Q2	Closed
Västerås	Ångpannan 12	25 000	50 000	Q2	Closed
Malmö	Skrattmåsen 4	1 000	8 000	Q4	Closed
Drammen	Grønland 1	10 000	59 420	Q4	Closed
Olika	Utveckling för egen förvaltning	3 500	8 000	-	
TOTALT		267 150	784 050		

DIVESTMENTS

Municipality	Property	Category	Lettable area, sq.m.	Closing
Oskarshamn	Ratten 14	Other	205	Q1
Kristiansand	Kongsgård Allé 20	Social infrastructure	16 391	Q2
Klippan	Apollo 15	Social infrastructure	2 547	Q2
Klippan	Skvadronen 9	Social infrastructure	987	Q2
Västerås	Ångpannan 12	Other	4 292	Q2
Uppsala	Flogsta 22:3	Other	2 037	Q2
Göteborg	Del av Lindholmen 6:9	Residential	4 056	Q3
Karlskrona	Gullbernahult 7	Residential	2 547	Q3
Falun	Byggmästaren 1	Residential	709	Q3
Falun	Disponenten 2	Residential	950	Q3
Bergen	Blådalen 39	Social infrastructure	4 790	Q3
Hörby	Överum 1	Social infrastructure	760	Q3
Hedemora	Älgen 1	Social infrastructure	2 006	Q3
Ludvika	Grängesbergs Gruvallmänning 1:253	Other	2 603	Q3
Ludvika	Grängesbergs Gruvallmänning 1:266	Residential	206	Q3
Ovanåker	Ovanåkers Prästbord 1:64	Residential	90	Q3
Malung	Norrbäcken 1:18	Social infrastructure	1 372	Q3
Motala	Basaren 7	Residential	7 164	Q3
Motala	Platen 8	Other	5 904	Q3
Tomelilla	Brösarp 12:22	Social infrastructure	784	Q3
Älvtdalen	Särnaby 122:1	Social infrastructure	6 383	Q3
Hedemora	Långsbyn 6:9	Social infrastructure	4 357	Q3
Flen	Städet 16	Social infrastructure	1 799	Q3
Karlskrona	Psilander 60	Other	14 470	Q3
Karlskrona	Gullbernahult 82	Social infrastructure	7 253	Q3
Karlstad	Alstrum 6:3	Social infrastructure	3 347	Q3
Hudiksvall	Igesund 14:269	Social infrastructure	3 169	Q3
Svalöv	Blinkarp 1:9	Other	2 700	Q3
Norrköping	Blomman 12	Social infrastructure	4 074	Q3
Skövde	Heimdal 17	Other	5 052	Q3
Oskarshamn	Biet 16	Other	837	Q3
Västervik	Borgaren 4	Other	1 559	Q3
Oskarshamn	Bryggaren 14	Other	882	Q3
Oskarshamn	Elefanten 29	Other	1 987	Q3
Oskarshamn	Frej 1	Residential	1 283	Q3
Oskarshamn	Lejonet 11	Other	801	Q3
Oskarshamn	Lejonet 15	Other	3 718	Q3
Oskarshamn	Lejonet 16	Other	1 914	Q3
Oskarshamn	Myran 24	Other	1 503	Q3
Västervik	Paradiset 18	Other	6 184	Q3
Oskarshamn	Ratten 9	Other	1 132	Q3
Oskarshamn	Svalan 11 och 15	Other	1 676	Q3
Oskarshamn	Vesta 12	Other	300	Q3
Västervik	Västerås 9	Other	2 033	Q3
Hagfors	Sörby 1:169	Social infrastructure	278	Q3
Torsby	Västanvik 1:672	Social infrastructure	441	Q3
Torsby	Västanvik 1:690	Social infrastructure	395	Q3
Helsingborg	Karl XI Södra 18	Social infrastructure	7 732	Q3
Karlskrona	Dahlberg 3 & 4	Other	702	Q4
Ludvika	Lisselmågtorpet 10:14	Social infrastructure	120	Q4
Ludvika	Skälkenstorp 17:1	Residential	272	Q4
Ludvika	Skälkenstorp 17:10	Residential	272	Q4
Ludvika	Skälkenstorp 17:11	Residential	272	Q4
Ludvika	Skälkenstorp 17:12	Residential	272	Q4
Ludvika	Skälkenstorp 17:13	Residential	272	Q4
Ludvika	Skälkenstorp 17:14	Residential	272	Q4
Ludvika	Skälkenstorp 17:15	Residential	272	Q4
Ludvika	Skälkenstorp 17:16	Residential	272	Q4
Ludvika	Skälkenstorp 17:2	Residential	272	Q4
Ludvika	Skälkenstorp 17:3	Residential	272	Q4
Ludvika	Skälkenstorp 17:4	Residential	272	Q4
Ludvika	Skälkenstorp 17:5	Residential	272	Q4
Ludvika	Skälkenstorp 17:6	Residential	272	Q4
Ludvika	Skälkenstorp 17:7	Residential	272	Q4
Ludvika	Skälkenstorp 17:8	Residential	272	Q4
Ludvika	Skälkenstorp 17:9	Residential	272	Q4
Ludvika	Öraberget 10:39	Residential	2 104	Q4

Ludvika	Öraberget 11:20	Residential	190	Q4
Ludvika	Öraberget 11:80	Residential	949	Q4
Ludvika	Öraberget 11:81	Residential	745	Q4
Ludvika	Öraberget 11:82	Residential	1 121	Q4
Ludvika	Öraberget 11:83	Residential	930	Q4
Ludvika	Öraberget 11:84	Residential	245	Q4
Ludvika	Öraberget 11:88	Residential	535	Q4
Ludvika	Öraberget 11:91	Residential	196	Q4
Ludvika	Öraberget 11:92	Residential	245	Q4
Ludvika	Öraberget 11:93	Residential	196	Q4
Ludvika	Öraberget 16:1	Residential	823	Q4
Ludvika	Öraberget 59:2	Residential	1 993	Q4
Ludvika	Örntorp 1:29	Residential	251	Q4
Ludvika	Örntorp 1:33	Residential	251	Q4
Ludvika	Örntorp 1:34	Residential	251	Q4
Ludvika	Örntorp 1:35	Residential	251	Q4
Ludvika	Örntorp 3:19	Residential	206	Q4
Ludvika	Örntorp 3:20	Residential	206	Q4
Ludvika	Örntorp 3:21	Residential	206	Q4
Ludvika	Örntorp 3:22	Residential	206	Q4
Ludvika	Örntorp 3:23	Residential	206	Q4
Ludvika	Örntorp 3:24	Residential	206	Q4
Ludvika	Örntorp 3:25	Residential	206	Q4
Ludvika	Örntorp 3:26	Residential	206	Q4
Ludvika	Örntorp 3:27	Residential	206	Q4
Ludvika	Örntorp 3:28	Residential	206	Q4
Ludvika	Örntorp 3:4	Residential	206	Q4
Ludvika	Örntorp 3:5	Residential	26	Q4
Ludvika	Örntorp 4:29	Residential	206	Q4
Ludvika	Örntorp 4:30	Residential	206	Q4
Ludvika	Örntorp 4:7	Residential	252	Q4
Ludvika	Örntorp 5:32	Residential	222	Q4
Ludvika	Örntorp 5:34	Residential	251	Q4
Ludvika	Örntorp 5:35	Residential	251	Q4
Smedjebacken	Borgen 9	Residential	1 547	Q4
Smedjebacken	Hagbacken 4	Residential	402	Q4
Smedjebacken	Kugghjulet 5	Residential	1 090	Q4
Smedjebacken	Mataren 1	Residential	201	Q4
Smedjebacken	Posten 10	Residential	1 180	Q4
Smedjebacken	Posten 11	Residential	1 107	Q4
Smedjebacken	Skakbordet 1	Residential	402	Q4
Smedjebacken	Skakbordet 2	Residential	201	Q4
Sundsvall	Härsta 9:3	Residential	19 270	Q4
Sundsvall	Gångsta 1:2	Residential	10 972	Q4
Bollnäs	Häggesta 4:21	Residential	392	Q4
Bollnäs	Säversta 7:75	Residential	1 586	Q4
Bollnäs	Häggesta 7:101	Residential	18 625	Q4
Bollnäs	Ren 30:204-351	Residential	13 951	Q4
Bollnäs	Ren 30:353	Residential	5 087	Q4
Bollnäs	Annexet 2	Residential	1 387	Q4
Bollnäs	Balder 2, 3 och 4	Residential	912	Q4
Bollnäs	Gnistan 2	Residential	1 683	Q4
Bollnäs	Ren 30:17, 49, 67	Residential	1 730	Q4
Malmö	Skrattmåsen 4	Residential	2 543	Q4
Malmö	Hälleflundran 8	Residential	3 693	Q4
Borlänge	Sigge 5	Social infrastructure	3 942	Q4
Borlänge	Skräddaren 2	Social infrastructure	3 072	Q4
Borlänge	Kvarnsveden 3:196 & 3:197	Residential	9 063	Q4
TOTALT			271 813	

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Samhällsbyggnadsbolaget i Norden AB (SBB) creates sustainable environments where people want to live, work and stay for a long time. SBB's work locally, contributes to social, environmental and economically sustainable development of society as a whole. This is SBB's sustainability report and covers all of the Group's companies.

SBB's business model is to own and manage rental apartments in Sweden and social infrastructure properties in the Nordic countries in the long term and in cooperation with municipalities around the Nordic region. The long-term dividend target shall amount to 40% of the dividend-based result. The loan-to-value ratio shall not exceed 55%.

SUSTAINABILITY

SBB's work with sustainability is based on a number of focus areas to give clear priority and better impact of our efforts.

- Economic sustainable development, ethics (including preventive work against corruption) and business ethics.
- Standard-improving measures and community involvement: social responsibility and investment in standard-enhancing measures to creating security and comfort.
- Reduced environmental impact: electricity, water and heat use, waste management, environmentally hazardous substances, energy efficiency, climate impact with CO2 emissions. Environmental improvements in property renovations.
- Attractive employer: developing and stimulating working environment for employees

Sustainability strategy and goals

SBB's sustainability strategy and goals are based on the vision, the business idea and the company's values of long-term ownership, development and reliability. Sustainability permeates all areas within the company. Concrete goals within the different focus areas have been formulated and described under each section.

Stakeholders

SBB has many roles where SBB wants to be a trustworthy party, among other things, as a landlord, employer, community player and regional developer. In order to be successful in the long term and attain its goals, SBB needs to understand what these stakeholders expect from the company. Therefore, SBB attaches great importance to listening to the expectations and needs of SBB's stakeholders. In addition to the daily contact with tenants, SBB aims to implement a simplified customer survey during 2019. The information from this survey will give SBB valuable knowledge about which development areas should be prioritized.

Governance and responsibility

SBB's Board of Directors has overall responsibility for managing sustainability issues. It annually establishes policies in the area of sustainability (sustainability policy and code of conduct) and targets for sustainability.

RISK MANAGEMENT

Sustainability risk - Sustainable development and sustainable business require a long-term, profit-driven business model and strategy. Risk that incorrect decisions can lead to reduced earnings and negative customer relationships can damage confidence and the brand. The risk is managed through SBB's distinct business model, where sustainability goals are an important part. For an indepth description of the business model, see page 5.

Environmental risk - Environmental impact through property management and renovation. The environmental risk is managed by applying the company's environmental policy, improving energy efficiency, environmental investigations in connection with acquisitions, radon measurements, remediation and sampling (eg asbestos and PCB, see also page 53).

Ethics and business risk - Clear guidelines and policies are established to ensure ethical behavior. (Anti-corruption).

Social conditions and staff - Risk of ill health and accidents among staff, surrounding society can be affected by noise and other disturbances in locations where the company is active. The risks are managed through active staffing and dialogue with the surrounding community.

Human rights - Risks can be found in the supply chain and in other companies with which SBB has business relations. In order to manage these risks, SBB works with the standard business templates produced jointly by the building and real estate industry when ordering goods and services. There may also be a risk of discrimination among their own staff. In order to minimize this risk, the company has policies against sexual harassment and abusive discrimination.

Sustainable business

SBB acquires properties in areas with long-term development potential. Major investments are made to equip and develop the properties in the form of renovating apartments, premises, common areas and facades. Outdoor environments such as play parks and green areas are also being restored and new outdoor lighting is added in dark and unsafe areas. The surrounding environment and the dwelling become more pleasant for the individual and the area as a whole becomes safer. In some locations where SBB has its property portfolio, the security issue is a priority. Therefore, an important part of the business model is to make investments in improving social conditions of the areas and thus contributing to a positive and socially sustainable development. This is done, among other things, by creating meaningful activities for young people living in the areas and through collaborative projects with local organizations that work in various ways to improve the social environment.

HUMAN RIGHTS AND ANTI-CORRUPTION

Respect for human rights

Risks can be found in the supply chain and in other companies with which SBB has business relations. In order to manage these risks, SBB works with the standard business templates produced jointly by the building and real estate industry when ordering goods and services. SBB has also introduced guidelines on how staff within the company can make complaints internally.

Ethics and anti-corruption

SBB's Code of Conduct and a number of policy documents with clearly defined guidelines shall guide the employees' responsible and ethical behavior. The Code of Conduct is based on the UN Global Compact, which contains ten principles, including human rights and anti-corruption. The company has an established business ethics policy. It acts as a guide and includes, among other things, good business practice in the industry, what is considered a bribe, proper and improper benefits, and a policy regarding study trips, exhibition visits or similar invitations by external contacts. To ensure that managers and employees act in accordance with ethical guidelines and to catch any deviations, a whistleblower service was introduced in December 2017. The service is managed externally. By the end of the year 2018, the whistleblowing service had not been used.

Illegal second hand rentals and routine for mediation

SBB has a policy of always offering vacant apartments via our digital rental platform, where existing tenants have priority over vacant apartments within the property portfolio. Trading in illegal second hand contracts is common in Sweden, especially in the Stockholm area with long queues. SBB has procedures to counteract this. When renting, the applicant is credit checked via Bank ID.

Focus for 2019

There are several planned activities for employees in order to live up to a responsible and ethical behavior in 2019.

- The number of incidents related to corruption and unethical behavior is documented and assessed
- Training courses will be carried out in the area of work environment for our employees

The outcome of these activities will be reported in the upcoming Sustainability Report.

BROAD CIVIC PARTICIPATION

Fundamental to the business is to continuously develop the properties and the living environment, which leads to well-being and security as well as a positive location identity.

- Regular customer satisfaction surveys for continuous improvement of our management
- Summer jobs offers to young people living in our residential areas
- Contribution to Mentor Sweden's work

Focus for 2019

There are several planned activities and many of these have already been implemented.

- Continuing to contribute to Mentor Sweden's work
- Carry out well-being days for tenants together with other property companies and municipalities
- Offer children and young people of residents in our residential areas summer jobs. The goal is for us to offer at least 100 summer jobs per annum

REDUCING ENVIRONMENTAL IMPACT

The company owns and manages properties taking into consideration sustainable development. SBB will offer a sound and pleasant external and internal environment where we constantly follow up and improve our environmental efforts to reduce the environmental impact. The biggest environmental impact occurs through the use of electricity, water and heat in the company's property portfolio, which mainly leads to emissions of carbon dioxide, nitrogen oxide and sulfur, where carbon dioxide is a greenhouse gas that contributes to global warming. Waste from our tenants also constitutes a major environmental impact since only a part is reused

while the largest part is sent to incineration. Material selection used for renovation is also an important part of our environmental impact and contributes to high resource consumption.

Through active choices of renewable energy types and ongoing energy efficiency improvements, reduced greenhouse gas emissions within the property portfolio is ensured. Projects are underway where we are installing geothermal heat and replacing an oil-fired boiler in Sundsvall, we are also looking at a pilot project with solar cells on a property in Skara and installing waste water heat exchangers to use energy in waste water. Furthermore, we ensure that hazardous chemicals are not built in by choosing environmentally-labeled products as far as possible and that a large part of the products are labelled. When choosing procuring contractors, the environment is included as part of the evaluation criteria. In most of our properties, we offer our tenants recycling and the opportunity to dispose of large household items.

Prioritizing rail traffic in property development

SBB's property development business is focused on minimizing the impact on the environment. Therefore, it is important to follow up that square meter light GFA for development projects have public transport access. As of December 30, 2018, the company has 490,800 square meters of light GFA in our property development portfolio.

Electricity and heat use

Property accounts for almost 40 percent of the total demand for energy in Sweden. Reducing energy use in the properties is therefore a highly prioritised environmental issue. SBB's portfolio of rental apartments mainly consists of buildings that were constructed between the 1950s and 1980s. Many of the buildings were erected before the large oil crisis in 1973, which means that they are often poorly insulated and heat loss is high. SBB's overall energy objective is to reduce the properties' environmental impact by continuously increasing the energy efficiency of the business. The goal is that over a five-year period we will reduce energy for heating in our green property portfolio by 30 percent (2018 - 2023). The green property portfolio consists mainly of residential properties built between the 1950s and 1970s. The goal is achieved by recovering as much energy as possible in the ventilation air, utilizing environmentally adapted and renewable energy and in other ways making energy consumption more efficient. We have signed an agreement with Svensk Naturenergi, Swedish Natural Energy, for all future electricity trading and our contracts are gradually being transferred to Swedish Natural Energy. Swedish Natural Energy offers renewable energy, and we have signed an agreement for wind power. Below are examples of measures implemented during 2018 to increase energy efficiency of our property portfolio:

- Installation of exhaust air heat pumps in two properties in Skara and Tidaholm where the ventilation and heating system is simultaneously adjusted.
- Procurement of a project in Motala where we install recovery of exhaust air and also supplement with waste water heat exchangers.
- Procurement of a project in Sundsvall that includes geothermal heat where we support with solar collectors and waste water heat exchangers to make the property independent of the existing oil boiler.
- In connection with the renovation of our apartments, we remove bathtubs and install low-volume water fittings.

Waste disposal

Waste gives rise to a large environmental impact from our properties and is therefore prioritised. SBB is investing in keeping the areas clean and tidy. In some of the properties there are so-called environmental houses or environmental spaces for recycling, soil containers for household waste and handling of large household items. The environmental houses and the environment rooms are sometimes located so that large garbage trucks do not have to access the residential areas. We also have a goal that there should be enough

environmental houses to make recycling easier for our tenants. So far, no follow-up of quantities of waste from each business region has been made.

Materials and hazardous substances

Several of our properties were built between the 1950s and the 1980s, which means that the properties have built-in materials that today are classified as environmentally hazardous, such as asbestos and PCB. As far as PCB is concerned, our entire stock has been inventoried.

Asbestos is a material that becomes harmful when handling and demolishing the material, which means that we, for example, during apartment renovations always carry out a sampling and risk assessment before demolition. Demolition and remediation of asbestos is always done based on applicable legal requirements and with certified decontamination contractors.

When renovating apartments, the choice of materials to be used is made based on the given budget, where we as far as possible choose eco-labeled products. In the apartment renovations, for instance, plastic mats, which often can contain dangerous chemicals, are replaced with floors in natural materials (parquet and clinker). During the procurement process, the choice of materials is based on construction product assessments.

Radon in elevated levels occurs in several of our properties. SBB therefore works actively to measure and follow-up to secure levels below the guideline value of 200 Bq.

Environmental Risks

Our properties contain environmental pollutants, where mainly asbestos and PCBs are common. There is also a risk that radon occurs in the properties since part of the stock consists of blue concrete. Previous businesses that have existed in our properties could have contributed to pollution in soil and water, which may become the property owner's responsibility unless the current business remains.

Even today, there are several chemicals in products that in the future may prove to be hazardous to people or the environment. Other environmental-related risks are increased risk of flooding due to an increased share of extreme weather with global warming. There is also a risk of increased taxes and costs on energy.

In order to manage these risks, SBB actively works with radon measurements and measures against radon in our stock. PCB remediation is carried out in all of our properties, with the exception of some dispensers that will be remedied in connection with future facade renovations. In connection with our renovations, continuous sampling is carried out on asbestos and any decontamination is carried out by approved contractors before our construction contractors enter and do renovation work. In connection with the acquisition of new properties, a risk assessment is always carried out with respect to environmental issues. Among other things, with regard to the presence of hazardous substances and possible soil contamination. To meet the risk of future increases in energy costs, we are continuously working on energy saving measures in our portfolio.

Focus for 2019

SBB will set up new intermediate targets for 2019 to reduce CO2 emissions between 2018 - 2023 by 400 tonnes per year. During 2019, SBB will begin investing in renewable electricity by installing solar energy in a number of properties. We will continue to install heat pumps in our properties, as well as improve the buildings' climate envelope. In several of our locations we have received grants from the National Board of Housing, Building and Planning to improve the outdoor environments. The goal for improved outdoor environments is to stimulate activity and social interaction. We will continue to work on reducing the proportion of waste that is not recycled by our tenants through a number of planned measures, for example through increased information to the tenants and through collaborations with local associations. Furthermore, we will work to improve the environmental requirements set in connection with purchasing.

ATTRACTIVE EMPLOYER

In recent years, SBB has grown through a number of acquisitions. The number of employees increased by 70 persons in 2018. With a growing organization, the need for coordination and higher demands are placed on communication and leadership. It is important to attract and retain competent employees.

Organisation

SBB has an organisation that is structured to cope with managing, developing and renovating the company's properties. The company's comprehensive management organisation is deemed to be strategically important in order to guarantee a good living and working environment. Employees living locally is also important.

Therefore, the company employs young people who work in the residential areas where they live. A personal commitment that leads to continuous development of the living environment and at the same time providing good social benefits.

Management and control

The company's personnel policy has been adopted by management and describes how the company wants to take advantage of the employees' skills and knowledge in order to achieve the company's vision and goals and to offer the employees personal development. The policy clarifies that everyone should be given the same opportunities to build their skills. The Board of Directors have adopted ethical guidelines for the company's conduct and these summarize our approach as a business partner, employer and social actor. The Code of Conduct is based on our fundamental values, high ethics, a holistic view and a humanistic basic view. The company's systematic work to develop the working environment and to minimize any risks in the working environment has a strong focus in 2019.

Culture and competence

The corporate culture at SBB is today characterized by commitment, openness and development. In 2019 we will work out a value statement that describes our way of being, what is important to us, what we want to stand for, how we are and, not least, how we should relate to our customers, employees, partners and the outside world.

Each employee should be given the opportunity to develop in the best possible way in their work and in their personality for the success of the organization and the individual based on their ability. This is also the starting point when we look at the concepts of equality, diversity and equal treatment, which for us means that all people have the same value and should be treated with respect and dignity irrespective of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.

All employees are obliged to participate in an, in all respects, equal and tolerant workplace, but a special responsibility rests on our managers and supervisors.

SBB attracts and retains competent employees through:

- At-market conditions for employment
- Competence development
- Good working environment
- Warrant programs and other incentive programs to motivate and reward employees
- Personal development and raising of skills
- Employees are covered by health insurance and occupational pension

Working environment

The systematic work done in relation to the work environment is described in the work environment policy and the guidelines for systematic work environment. The process of constantly developing and improving the working environment is ongoing. In 2019, we will focus on implementing and educating our employees in work

environment issues.

Availability during holidays and weekend

It is important that our customers have the opportunity to get in touch with us and our representatives at all times. It is also important that our employees have a good balance between work and leisure. We therefore have agreements with companies that handle emergencies at weekends and longer holidays. This combined with careful holiday / vacancy planning for the staff means that we can satisfactorily satisfy the tenants need to be able to get in touch with us as well as our employees right to holiday and time off.

Performance reviews

In 2019, in connection with the incentive program, we will review the processes regarding employee interviews.

Follow-up regarding accidents at workplaces

All incidents and injuries that occur in the organisation are reported to the Swedish Social Insurance Agency and the Swedish Work Environment Authority and to AFA Insurance. The company has been spared from difficult accidents. During 2019, we will strengthen and clarify procedures for notification of occupational injuries and incidents. From 2019 we will implement a systematic work environment program. This includes a follow-up of accidents at the workplace.

Diversity and equality

Tenants' diversity is an asset and reflecting it in the organization is a matter of course for SBB. We encourage diversity and reject all forms of discrimination. Our policy and our guidelines against abusive discrimination are readily available in our Work Environment Manual. When recruiting, we strive for diversity in all respects. The company's ambition is to have an even gender distribution. At year-end, SBB had 132 employees, of whom 30 percent (39) were women. The proportion of female managers amounts to 22 percent (4). The proportion of women part of the executive management, which consists of 7 people, amounted to 29 percent (2). In the company's Board of Directors, 29 percent (2) were women.

Focus for 2019

- We will develop the working environment by educating our employees in all parts of the work environment
- We will map our employees' skills
- We strive to have a low sick leave.

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YEAR IN BRIEF

The annual reports refer to Samhällsbyggnadsbolaget i Norden AB (publ), org. nr 556981-7660, hereinafter referred to as SBB or Samhällsbyggnadsbolaget alternatively the Group or the Company.

YEAR IN BRIEF

- Rental income increased to SEK 1,680 million (1,339).
 - The operating surplus increased to SEK 1,071 million (877).
 - Cash flow from operating activities before changes in working capital totalled SEK 248 million (360).
 - Profit before tax amounted to SEK 1,904 million (3,131), of which income from property management totalled SEK 321 million (338). The management result includes costs for early redemption of loans and other non-recurring financing costs totalling SEK 205 million.
 - Unrealized changes in the value of properties excluding building rights are included at SEK 1,340 million (2,041).
 - Unrealized changes in value as a result of building rights are included at SEK 177 million (749).
 - Realized value changes relating to properties are included at SEK 58 million (7).
 - Unrealized changes in value of derivatives are included at SEK 8 million (-4).
 - Profit for the period amounted to SEK 1,690m (2,429) after deduction of deferred tax of SEK -212 million (-662) and current tax of SEK -2 million (-40), corresponding to earnings per ordinary share A and B of SEK 2.07 (3.60) before dilution.
 - The value of the property portfolio increased by SEK 2.2 billion during the year to SEK 25.2 billion (23.0).
 - Long-term net asset value (EPRA NAV) increased to SEK 8,736 million (7,120), corresponding to SEK 11.55 (9.65) per share.
 - The Board proposes a dividend of SEK 0.25 (0.10) per ordinary share A and B, dividend of SEK 2 per ordinary share D and dividend of SEK 35 (35) per preference share.
-

SBB KEY RATIOS

	2018	2017
	Jan-Dec	Jan-Dec
Rental income, SEKm	1 680	1 339
Operating net, SEKm	1 071	877
Surplus ratio, %	64	66
Interim profit, SEKm	1 690	2 429
Yield, %	4,7	4,8
Cash flow from current operations, SEKm	248	360
Property value (market value), SEKm	25 243	23 001
Number of properties	570	749
Leasable area sq.m, thousands	1 330	1 366
Occupancy ratio, %	96,2	96,8
WAULT, social infrastructure properties, years	7	7
Shareholders' equity, excl. non-controlling equity interests, SEKm	9 009	6 389
EPRA NAV (long-term net asset value), SEKm	8 736	7 120
EPRA NNNAV (actual net asset value). SEKm	7 838	6 282
Return on Shareholders' equity, %	18	52
Loan-to-value ratio, %	53	58
Equity ratio, %	41	32
Adjusted equity ratio, %	44	36
Earnings per ordinary shares A and B, kr	2,07	3,60
Earnings per ordinary shares D, kr	0,50	-
Average number of ordinary shares A and B	741 569 031	653 360 953
Average number of ordinary shares D	918 854	-
Average number of preference shares	324 983	168 360
Number of ordinary shares A och B	756 049 031	737 949 031
Number of ordinary shares D	41 626 390	-
Number of preference shares	175 251	333 205

See definitions of key ratios p. 146.

EVENTS DURING THE YEAR

- At the beginning of January, SBB announced the update of two of its financial targets: To maintain a LTV-level below 60% (previous 65%) and to have an interest coverage ratio of at least 1.8 times (previous 1.5 times).
- S&P Global Ratings announced that SBB has received a BB rating with stable outlook.
- In January, SBB issued an unsecured bond of SEK 750m at a variable interest rate of STIBOR 3m + 390 and a final maturity on January 29, 2021.
- SBB received the prize as the property company of the year during the Property Awards organized by World in Property at the end of January. This year's property company is a nationwide prize awarded to a company which, according to the jury, has shown an unusually strong development in its area during the past year.
- In February, an acquisition of three elderly homes and care properties in the Tampere area in Finland was completed. This is the company's first acquisition in Finland and was valued at EUR 7.4m.
- In February, SBB issues senior unsecured notes for SEK 300 million at a fixed interest rate of 2.9% and final maturity date on 20 December 2019.
- As of 16 February 2018, the company's common stock of Serie B and preference shares are listed on Nasdaq First North Premier.
- During the quarter SBB repurchased bonds to a residual nominal amount of SEK 249m. The repurchased bonds are unsecured bonds issued by the subsidiary SBB I Norden AB (publ) with an outstanding nominal amount of SEK 600m including the bonds owned by SBB. The bonds have a floating interest rate of STIBOR 3m plus 6.25 percent and matures June 2018. In addition, SBB have

repurchased SEK 90m of residual nominal amount regarding unsecured bonds issued by the subsidiary SBB I Norden AB (publ) with an outstanding nominal amount of SEK 1 500m including the bonds owned by SBB.

- In Mars SBB issued an unsecured bond of SEK 250m with a floating interest rate of STIBOR plus 365 basis point and maturing the 17th of May.
- In Mars SBB amended the terms and conditions of the outstanding hybrid notes after approval from noteholders. Notes will after the amendments be considered as 50% equity by Standard & Poor's.
- In Mars SBB issued hybrid bonds for SEK 300 million. This was an addition to the SEK 700 million outstanding hybrid bonds and it fully utilises the framework amount of SEK 1,000 million. The new hybrid bonds were issued at a price of 106.1% of nominal amount corresponding to a spread of 600 basis points.
- Lars Thagesson was employed as Deputy CEO and COO and Jonny Göthberg as Head of property management.
- In Mars SBB purchased all shares in the property management company Hestia Sambygg AB to establish in-house property management.
- In April, a school property in Kristiansand in Norway was sold for a value of NOK 415.5m. The property has generated a return on equity of NOK 83m since it was acquired by SBB in May 2017.
- In April, the site lease hold to the property Stockholm Vårholmen 6 was acquired with a newly built building containing apartments and a preschool.
- In April, 20,000 sq.m. of building rights were sold for the construction of Swedish rental residential to a development company jointly owned with KlaraBo. The building rights are located in Höganäs, Karlskrona and Falun.
- Marika Dimming was employed in April as manager of investor relations and sustainability.
- In April, an elderly care home in Helsinki was acquired, which means that SBB's property portfolio is expanding in Finland.
- In April, SBB acquired six residential properties with 135 apartments in Stockholm.
- In May, SBB established a commercial paper program with a framework amount of SEK 2bn. During the quarter, business certificates of SEK 700m were issued at an interest rate of 0.3-0.5 percent.
- In May, a collaboration was commenced regarding the production of two LSS properties, each containing six apartments, in the Malmö region. In addition, an LSS property was acquired in Höganäs.
- SBB received a BB rating with positive outlook from Fitch.
- In June, SBB acquired 158 rented apartments in Falun from the municipal residential company Kopparstaden AB.
- In June, two social infrastructure properties with health care and elderly care were acquired and two residential properties from Karlskrona Public Service. In another transaction, six residential properties were acquired with 114 apartments in Karlskrona.
- In June, SBB divested three separate transactions, building rights with an estimated volume of 63,500 sq.m. for a total market value of SEK 180m, which is expected to produce a profit effect of SEK 50m for 2018.
- In June, SBB initiated a JV cooperation with Magnolia for the development of 17,000 sq.m. building rights in Nykvarn and Västerhaninge.
- During the quarter, SBB established a green framework for future issuance of green bonds. The framework is in line with the so-called "Green Bond Principles" according to ICMA and has been evaluated by CICERO.
- SBB signed an agreement with Erik Penser Bank regarding the service as Certified Adviser. Erik Penser Bank will act as a certified advisor from July 1st.
- In June, SBB sold building rights of 4,700 sq.m. corresponding to 40 apartments to the municipal residential company Kopparstaden AB.
- SBB expanded the former JV cooperation with K2A with two project properties located in Uppsala and Västerås.
- In June, a portfolio was acquired containing 35 residential properties in Oskarshamn and Avesta and a social infrastructure property in Vimmerby. Income for the quarter was SEK 427m (370) and contributed to an operating surplus of SEK 293m (263). The cash flow from current operations amounted to SEK 99m (88) before changes in working capital.
- Profit before tax amounted to SEK 517m (498), of which income from property management are

- included with SEK 112m (112), value changes on properties included with SEK 402m (385).
- During the quarter SBB together with Offentliga Hus and Amasten entered into an agreement with the newly established company Studentbostäder i Sverige AB to sale SBBs current student housing properties. SBB will initial own 23.1 percent of the shares in Studentbostäder i Sverige AB.
 - In July a social infrastructure property in Stockholm containing elderly care was acquired.
 - SBB initiated a change of issuer in SBB i Norden AB's (publ) notes with symbol SBBIN 002, Samhällsbyggnadsbolaget i Norden AB (publ) was registered as issuer of the notes in the system of Euroclear as of 11 July 2018.
 - In July SBB expanded its social infrastructure property portfolio in the Nordic metropolitan regions through the purchase of two elderly care homes in Tønsberg in the Oslo region.
 - SBB established a EUR commercial paper programme with a framework amount of EUR 200m in July.
 - In July SBB redeemed all outstanding preference shares in the subsidiary AB Högkullen (publ).
 - SBB entered in to a LOI with the municipality of Skellefteå for the acquisition of the new cultural center in Skellefteå including hotel operations, the property is acquired for more than SEK 1.0bn. The municipality of Skellefteå will sign a 50-year lease with SBB. After the period SBB have signed a definitive agreement with the municipality.
 - During the quarter, SBB sold three non-strategic properties in Bergen and Falun with an underlying agreed property value of SEK 138.5m.
 - Samhällsbyggnadsbolaget i Norden AB (publ) issued a new hybrid bond with an initial volume of SEK 1,000m. The hybrid bonds are issued under a framework of SEK 1,500m which enables for an additional SEK 500m could be issued under the framework. The hybrid bonds are perpetual instruments and carry an initial floating rate coupon of 3m Stibor + 635 basis points.
 - During the quarter, SBB sold 13 000 s.qm. building rights for residential use in Nyköping to Backastad.
 - SBB repurchased outstanding notes amounting to SEK 1.2bn in the end of September. In connection with the transaction SBB issued new senior unsecured notes of SEK 1.0bn with settlement in October.
 - SBB sold 39 properties with an underlying property value of SEK 1.153bn to a joint venture co-owned to 50 percent with Property AD. Rental income for the quarter was SEK 453m (384) and contributed to an operating surplus of SEK 274m (257). Cash flow from operating activities before changes in working capital was SEK -7m (140) for the quarter.
 - Profit before tax was SEK 700m (493), of which the profit from property management was SEK 28m (87) and changes in value for properties totaled SEK 671m (409). The management result includes costs for early redemption of loans and other non-recurring financing costs of SEK -125m. Earnings per ordinary share of class A and B for the quarter was SEK 0.83 (0.48) before dilution.
 - At the beginning of October, SBB submitted a partial public takeover bid with share premium to the preference shareholder in Karlbergsvägen 77 Fastighets AB (publ) to promote the possibility of using the property as a school. The acquisition was made against payment in newly issued ordinary shares of class D.
 - Additional hybrid bonds of SEK 100m were issued under the existing SEK 1.5bn framework. The issue price amounted to 101.35 percent, corresponding to a margin of 606 basis points. Subsequently, another issue of SEK 100m was made at an issue price of 101.8 percent, corresponding to a margin of 597 basis points.
 - SBB entered into an agreement with Phoenix Insurance Company, which holds 35,000,000 warrants in the company, which meant that SBB repurchased 17,500,000 warrants for a purchase price of SEK 93.07m. According to the agreement, SEK 85.75m of the purchase price was to be paid in cash and the remainder through a new issue of 600,000 ordinary shares of class B in the company. Phoenix Insurance Company also applied for subscription for the remaining 17,500,000 warrants at an adjusted subscription price of SEK 7.30.
 - In November, SBB acquired two community properties, in which training and LSS housing were conducted, respectively, and eight residential properties in Höganäs at a total property value of SEK 289m.
 - SBB's subsidiary in Norway, B121 Holding AS, repurchased junior bonds at the beginning of November with a nominal amount of NOK 130m out of a total of NOK 390m outstanding. The junior bonds carry a fixed interest rate of 5.75 percent with maturity in December 2020.
 - In November, Adrian Westman was appointed Head of Investor Relations to assist SBB in its goal to list on Nasdaq Stockholm's main list.

- In November, two social infrastructure properties, a retirement home in Sundbyberg and a school property in Luleå were acquired at an agreed property value of SEK 238m.
- In December, SBB and Phoenix signed an agreement for a directed new share issue of 10,209,678 ordinary shares of class D, which brought SBB gross proceeds of approximately SEK 316.5m, which SBB used for the repurchase of hybrid bonds at a nominal amount of SEK 300m.
- During the quarter, SBB issued a total of 41,626,390 ordinary shares of class D, through targeted new issues, which provided the company with gross proceeds of SEK 1,290m.
- In December, SBB signed an agreement to acquire 1,363 apartments allocated to 50 properties in Södertälje, Enköping, Sigtuna, Tierp, Tranås, Vaggeryd, Söderhamn and Nässjö at an agreed property value of SEK 1,305m.
- SBB sold 1,600 apartments allocated at six locations in Sweden at an agreed property value of SEK 1,375m to a JV cooperation jointly with KlaraBo Sverige AB and an office property in Drammen, Norway, at an agreed property value of NOK 220m. Buyers of the property in Drammen were Union Eiendomsutvikling.

IMPORTANT EVENTS AFTER THE END OF THE YEAR

- SBB discontinued the rating agreement from Moody's Investors Service. SBB believes that engagement with two international credit rating agencies is sufficient to meet the company's long-term financial and operational goals.
- In January SBB issued 4,064,516 ordinary shares of class D, through targeted new issues, which provided the company with gross proceeds of SEK 126m.
- A voluntary repurchase offer of outstanding 2018/2019 SEK bonds resulted in bonds with a nominal value of SEK 262 million being repurchased and followed by SBB issuing SEK 224 million in one of SBB's bond loans maturing in May 2021. .
- After the end of the year, SBB sold a development property in Kristiansand in Norway of NOK 200 million to a JV company with Martin Mæland.
- SBB invests in an energy project to reduce carbon dioxide emissions by 75 per cent in a residential area with 476 apartments in Motala. This is done through solar cells and reduction of existing energy use through energy recovery measures.
- In February, the municipality of Nykvarn entered into a new 25-year lease agreement with SBB for a refurbish and extented Nykvarn's townhall. The municipal building will undergo a refurbishment and extension of about 2,000 sq.m. to a total of 3,900 sq.m.. The building will be used as offices for the municipality's employees, including the municipality's existing library.
- In February, SBB issued its first green unsecured bond and reached another milestone in its sustainability work. The SEK 500 million bond has a maturity of 5 years and Stibor 3m + 3.30 per cent. The issue continues to reduce the company's financial risk profile, and was more than two times oversubscribed.
- In February, SBB also issued a bond of SEK 200 million with a maturity of 5 years and Stibor 3m + 3.25 per cent, as part of further reducing the company's financial risk.
- In February, five new 15-year agreements were signed for LSS housing in Southern Sweden. The LSS dwellings will be built in 2019, three of which will be developed on own development rights.
- In February, Standard & Poor's raised the outlook for SBB to a BB rating with positive outlook.
- In February, a detailed plan for 400 homes and a health and care property in Nykvarn became legally binding. The planning has been done with the municipality of Nykvarn. Development of the area is starting immediately.
- In February, SBB hired ABG Sundal Collier as liquidity guarantor for the company's D share. The undertaking takes place within the framework of Nasdaq Stockholm AB's rules on liquidity guarantee and the liquidity guarantor quotes binding purchase and sales prices with a maximum of 4 per cent for a volume corresponding to at least SEK 15,000.
- SBB signed an agreement for the acquisition of two property holdings with residential and social infrastructure properties of a total of 367 apartments, of which 257 apartments are in Rinkeby / Tensta and 48 apartments in Vallentuna. The deal also includes an LSS property in Täby and two residential properties in Eskilstuna.

PROPERTIES

At the end of 2018, Samhällsbyggnadsbolaget had a total of 570 register properties (749) located in 131 municipalities (128). The total property value amounted to SEK 25,243 million (23,001), the lettable area was 1,330,000 square meters (1,366,000). The rental value amounted to SEK 1,647 million (1,641). The increase in the value of the properties was due to acquisitions of SEK 3,597 million (13,466), divestments of SEK 3,359 000 (695), investments of SEK 311 million (209) and unrealized changes in value amounting to SEK 1,517 million (2,760). The economic occupancy rate at year-end was 96 percent (97).

INCOME AND EXPENSES

Revenues amounted to SEK 1,680 million (1,339) in 2018. The increase in revenues is primarily driven by acquisitions, investments and newly signed lease agreements. At the end of the period, SBB had rental income of SEK 1,585 million (1,588) per rolling 12-month earning capacity. Of these, community properties accounted for SEK 987 million, corresponding to 62 percent of the total rental income, residential amounted to SEK 488 million, corresponding to 31 percent of total rental income. The average rent for residential properties was SEK 971 / sq.m. and SEK 1,520/ sq.m for social infrastructure properties based on current earning capacity.

Property expenses during the period amounted to SEK 610 million (462). The expenses mainly consisted of tax-related costs, maintenance costs and administration costs. The annual result for operating cost items heating, electricity and snow removal exceeded the forecast by approximately SEK 20 million. The higher costs were primarily due to the colder and longer winter and more than normal snow.

OPERATING SURPLUS AND SURPLUS RATE

Operating surplus amounted to SEK 1,071 million (877). The increase is mainly due the increase in portfolio, but also to investments and operational optimization. The SBB's surplus ratio was 64 percent (66).

PROPERTY VALUES

As of December 31, 2018, the fair value of the 570 properties of SBB amounted to SEK 25,243m (23,001). At the same time, the average yield on the property portfolio, excluding building rights, was 4.7 per cent (4.8).

VALUE CHANGES

The value changes of the properties amounted to SEK 1,575 million (2,797). The value changes include realized value changes of SEK 58 million (7) and unrealized value changes of SEK 1,517 million (2,790), of which building rights amount to SEK 177 million (749). Changes in the value of acquisitions during the year amounted to SEK 519 million (1,223). The remaining part of the value changes is explained by increased net operating income as a result of investments and leases in the property portfolio and reduced yield requirements. At the end of 2018, the average yield was 4.4 per cent including building rights and 4.7 per cent excluding building rights.

VALUATION

SBB reports investment properties at fair value. Each quarter, 100 per cent of the properties are valued. Under SBB's valuation policy, 100 per cent of the properties are valued by external valuers every half year, while the values in the remaining quarters are based on internal valuations. In 2018, 100 per cent of the properties were valued every quarter by external valuers. The value of the property portfolio as of December 31, 2018 is based on external valuations made by Newsec, JLL and Savills. The valuations are based on an analysis of future cash flows for each property, taking into account the current lease contract terms, market conditions, rental levels, operating, maintenance and administration costs and the need for investments. The yield requirements used in the valuations are in the range 2.35 per cent to 8.5 per cent with an average value of 5.22 per cent. The value of the properties includes approximately SEK 1,331 million for building rights, which were valued using the local rate method, which means that the valuation is based on comparisons of prices for similar building rights. Fair value has thus been assessed according to IFRS 13 level 3.

VALUATION DATA

Each assumption for a property is assessed individually based on the knowledge available about the property as well as the external valuers' market information and experience.

CHANGES IN FAIR VALUE

	SEKm
Initial fair value January, 1 2018	23 001
Aquisitions	3 597
Investments	311
Divestments	-3 359
Translation gains/losses	176
Unrealised value changes	1 517
Fair value at the end of the period	25 243

ASSOCIATED COMPANIES AND JOINT VENTURES

SBB's involvement in associated companies and joint ventures consists of an ownership interest and, in some cases, financing for the companies. As of December 31, 2018, participations in associated companies and joint ventures amounted to SEK 213 million (110) and receivables from associated companies and joint ventures amounted to SEK 1,574 million (-). Some of the companies carry out property development projects, which are described in more detail on page 25, while other companies own investment properties.

FINANCING

FINANCING

SBB's key ratios improved in 2018. The change relates to a reduced net loan-to-value ratio from 58 percent to 53 percent, a higher equity ratio from 32 percent to 41 percent and a higher adjusted equity ratio of 44 percent (36). In January 2018, SBB received a BB rating with stable outlook from Standard & Poor's Global Ratings ("S&P") and in May 2018 SBB received a BB rating with positive outlook from Fitch Ratings ("Fitch"). The rating agencies' analysis and assessment of the company have meant that focus in 2018 has intensified on consolidating the company and restructuring the debt portfolio. The aim is to reduce the financial costs and to diversify the funding. Over the year, loans were redeemed and bonds were bought back and in addition the proportion of secured bonds in Norway was reduced to achieve lower financing costs.

FINANCIAL MARKETS

The international economy is beginning to slow down. World trade is growing more slowly than in 2017, and productivity growth remains low in much of the world. Sweden is adversely affected, partly by lower international demand and partly by domestic factors. Foreign trade has been revised downwards as a result of uncertainty regarding the expansion of tariffs and tariffs in certain markets. In addition, there is uncertainty surrounding what Brexit agreement will be agreed and what the financial consequences will be. The Swedish economy has been in a boom since 2016. The peak is now reached and the growth rate will slow in the future. It is mainly housing investments that weigh on growth. The fall in housing prices in 2018 and the increased amortization requirements mean that new construction will stop. The Riksbank's cautious interest rate hikes, together with large cautionary savings among households, mean that private consumption is slowing down. Developments in the financial markets were primarily characterized by rising uncertainty during the autumn of 2018, this was displayed in volatility, falling share prices and increased credit margins. The rising uncertainty can partly be linked to a more fragmented economic picture, where the US shows strength while the growth rate in Europe and China has fallen back.

The strong development in the US has contributed to the US Federal Reserve ("Federal Reserve") raising the key rate to the range of 2.25-2.50 percent. At the same time, the Federal Reserve has signaled two further interest rate hikes in 2019. From the European Central Bank ("ECB"), a first rate hike is not expected until the autumn of 2019, but from the turn of the year 2018/2019 the ECB has ceased its bond net purchases. In December 2018, the Riksbank carried out an initial increase in the repo rate, from minus 0.50 per cent to minus 0.25 per cent, on the grounds that there are good conditions for inflation to remain close to the inflation target of two per cent.

The Swedish bond market slowed down in 2018 compared with the same period in 2017. In total, about SEK 32.6 billion was issued in 2018 compared with SEK 40.9 billion in 2017. The slowdown occurred mainly in the fourth quarter of 2018. This was largely due to a weaker market sentiment around Europe where the margins in the bond market increased from 350 bps early in October 2018 to 530 bps towards the end of 2018. Since the beginning of the year 2018/2019, the market sentiment has improved and credit margins have fallen to about 450 bps.

FINANCIAL MANAGEMENT

The finance function shall support the company's core business by minimizing the cost of capital in the long term. Its task is to manage existing debt, raise new loans for investments and acquisitions, streamline cash management and limit the financial risks. The work is governed by the company's finance policy, which is adopted by the Board once a year. The finance policy regulates reporting, monitoring and control. All financial issues of strategic importance are dealt with by the Board.

CAPITAL

Running a real estate company is capital intensive. The company is financed with equity and liabilities in the

form of bank loans, bonds, hybrid bonds and commercial paper. The distribution between the different asset classes depends on factors such as the cost of the various forms of financing, the focus of the property portfolio, and the risk aversion of the shareholders, investors and creditors. In order to diversify the funding, the company increased the number of unsecured bonds during the year.

EQUITY

On December 31, 2018, SBB's equity amounted to SEK 11,197 million (7,636). The equity / assets ratio was 41 percent (32), while the adjusted equity / assets ratio was 44 percent (36). During the year, a part of a hybrid bond loan was repurchased of SEK 300 million and a new hybrid bond of SEK 1,000 million was issued. When the hybrid bond loans are eternal and the redemption can only be invoked by the company, it is classified in accounting terms as an equity instrument. The hybrid bond loans are listed on Nasdaq Stockholm.

The return on equity is the profit for the period as a percentage of average equity for the period. The return showing the company's return on equity was 18 percent (52).

LIABILITIES

At year-end, interest-bearing liabilities amounted to SEK 14,675m (13,909), of which SEK 5,909m (7,233) related to liabilities to credit institutions, SEK 6,925m (6,601) to bond loans and SEK 1,840m (-) to commercial paper (nominated both in SEK and EUR) . During the year, shareholder loans of SEK 74 million were repaid. The net loan ratio was 53 percent. The fair value of the liabilities and other financial instruments as of December 31, 2018 is deemed to correspond to the carrying amount.

Of the company's credits, the proportion of loans with variable interest rates was 40 per cent and loans with fixed interest rates 60 per cent. The average fixed interest term was 2.59 years (3.37). The variable interest-bearing liabilities of SEK 5,849 million have Stibor interest as a base, which as a rule gives an opportunity to change the capital structure without having to pay interest differential payments. Some variable loans have interest rate floors, which means that the company has not been able to take advantage of the negative interest rate on the market. At year-end 2018, the company had two interest rate derivatives in NOK with a market value of SEK 12 million (35). Other than that, the interest rate has been tied up with fixed interest loans. This means that the company's interest rate risk is low, but the company will in the future review the possibilities of interest rate hedging through derivatives.

During the year 2018, new credits were raised in connection with property acquisitions and a share of the loans was refinanced at lower margins. In addition, in 2018 the company has issued unsecured bond loans of SEK 2,350 million. In 2018, SBB set up a commercial paper program in SEK and a commercial paper program in EUR. In addition to existing loans, SBB had unutilized credit lines, overdraft facilities and liquidity of SEK 2,305 million at year-end. Unutilized borrowing capacity is divided between six creditors and is due for renegotiation 2019-2021. Financing has been made in SEK, NOK and EUR.

The other liabilities consist of deferred tax liability, accounts payable, current tax liabilities, accrued expenses and prepaid income and other liabilities linked to the acquisition of real estate.

CREDIT AND SECURITIES

Liabilities to credit institutions were reported at SEK 5,909 million on 31 December 2018. The loan portfolio is divided between 14 credit institutions, of which Danske Bank, Handelsbanken, Nordea, SBAB, Swedbank, DNB, and several savings banks are the largest lenders.

Property mortgages of SEK 10,970 million is security for a large part of the interest-bearing liabilities. In addition, SBB has provided security in the form of shares in property-owned companies of SEK 1,790 million and parent company guarantees of SEK 4,713 million from Samhällsbyggnadsbolaget i Norden AB.

Interest-bearing liabilities that do not have real estate security consist of commercial paper and unsecured bonds that the company has issued.

ALTERNATIVE FINANCING

The banks continue to be conservative in terms of loan-to-value ratios, ie the proportion of loans in relation to the value of the properties. Most of the new bank loans are therefore around a loan-to-value ratio of around 60 per cent. Therefore, in order to optimize the company's capital structure, there is a need to continuously seek alternative forms of financing, such as commercial paper and bonds. SBB has followed the trend in Sweden and in Europe, instead of refinancing and borrowing new capital in the banking market, it has issued commercial paper and unsecured bonds. After oGFAining ratings from S&P and Fitch, the credit margin and hence the interest expense have decreased significantly for the Company.

BONDS

Bond loans had a carrying amount of SEK 6,925 million on 31 December 2018. During 2018, SBB has issued unsecured bonds of SEK 2,300 million. Of the total outstanding bond volume as of 31 December 31 2018, SEK 4,579 million amounted to unsecured bonds. In 2018, the company bought back SEK unsecured bonds and hybrid bonds totalling SEK 1,702m. In Norway, the company repurchased unsecured bonds of SEK 145 million in 2018.

OUTSTANDING NON-SECURED BONDS IN SEK (INCLUDING HYBRID BONDS) DECEMBER, 31 2018

ISIN-code	Currency	Nominal amount, SEKm	Repurchased by SBB, SEKm	Maturity	Interest rate, %
SE0010869123	SEK	300	-	dec-19	FXD 2,90
SE0009805468	SEK	1 500	1 354	apr-20	FRN 6,00
SE0010414581	SEK	750	-	jan-21	FRN 3,90
SE0010985713	SEK	250	48	maj/2021	FRN 3,65
SE0011725514	SEK	1 000	-	mar-22	No floor FRN 3,60
SE0011642776	SEK	1 200	-	Hybrid	No floor FRN 6,35
SE0010414599	SEK	1 000	300	Hybrid	FRN 7,00

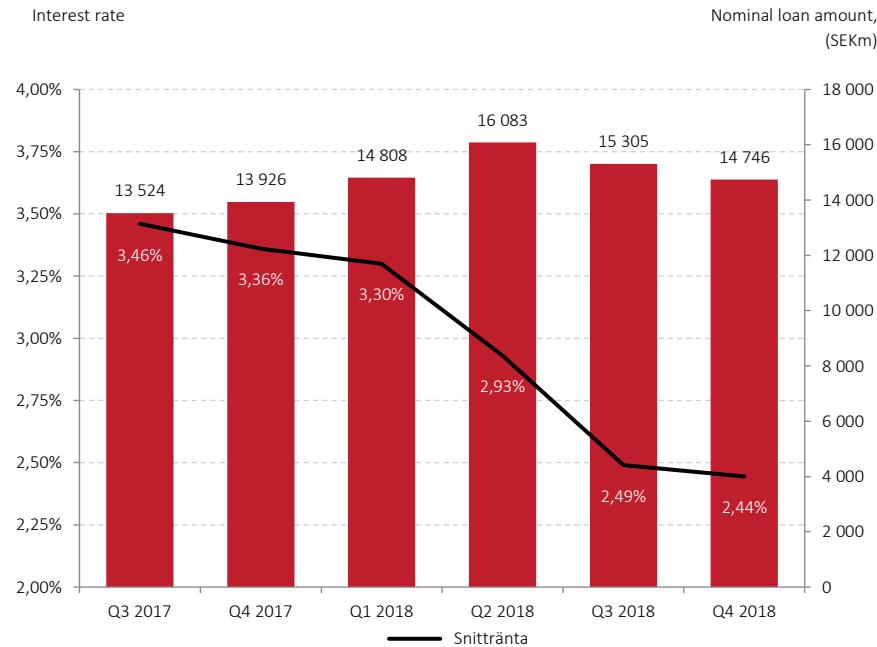
OUTSTANDING SECURED BONDS IN SEK AND NOK DECEMBER, 31 2018

ISIN-code	Currency	Nominal amount, SEKm	Repurchased by SBB, SEKm	Maturity	Interest, %
NO001075406.2	NOK	390	145	dec-20	FXD 5,75
NO963342624	SEK	683	-	dec-21	FXD 1,85
NO0010777691 (amorterande) ¹⁾	NOK	200	-	okt-23	FXD 4,50
NO0010777683	NOK	620	-	nov/2023	FXD 3,00

1) On December 31, 2018, the outstanding amount was SEK 142,857,142.

AVERAGE RATE AND INTEREST RATE

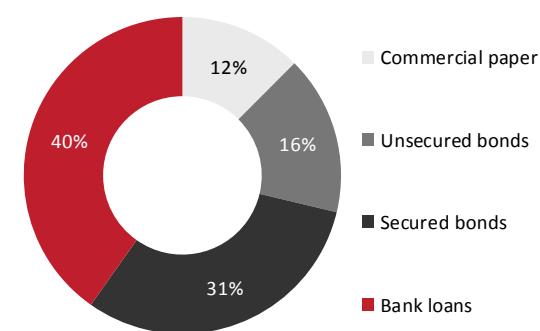
At year-end, SBB's average interest rate was 2.44 (3.36) percent. The average fixed interest term at year-end was 2.59 (3.37) years and average capital tied up 4.59 years. The chart below shows the company's average interest rate per quarter).



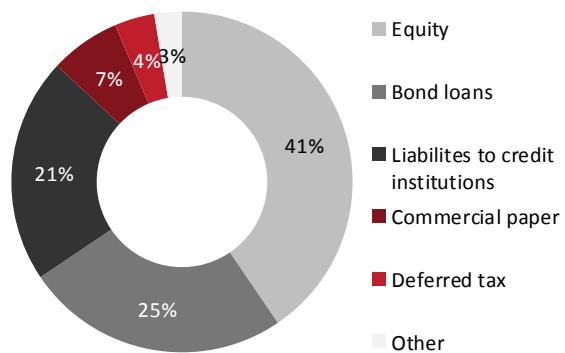
COVENANTS AND RISKS

SBB's financial risk takings and positions can be assessed by, among other things, the key ratios of equity ratio, interest coverage ratio and loan-to-value ratio. In credit agreements with banks and credit institutions, there are sometimes established limit values, known as covenants, for the three key ratios. At the beginning of December 2018, SBB announced new targets: equity ratio minimum 35 (30) percent, LTV below 55 (60) percent and ICR 2.5 (1.8). At year-end 2018, the company fulfilled the banks' covenant requirements in all credit facilities and the covenant requirements for each bond.

DISTRIBUTION INTEREST-BEARING LIABILITIES



CAPITAL STRUCTURE

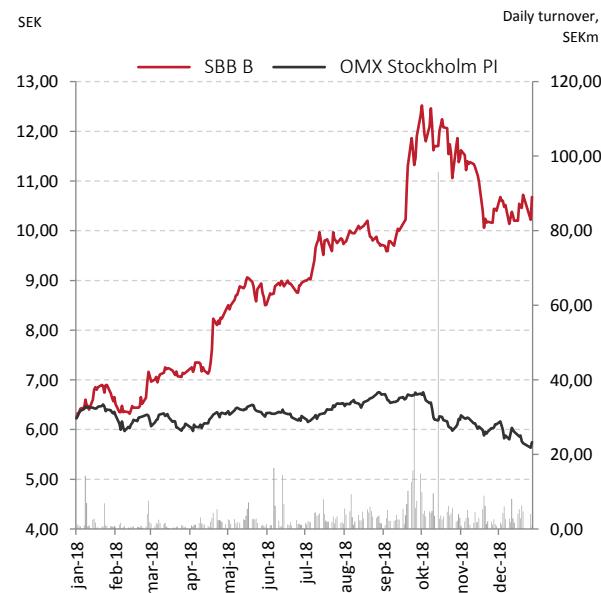


THE SHARE

SBB's ordinary shares of Class B, Class D and preference shares are listed on Nasdaq First North Premier.

As of December 31, 2018, the number of ordinary B shares stood at 546,071,540 and the Class D at 41,626,390. The preference shares totalled 175,251 and in addition, the company had 209,977,491 ordinary Class A shares. The price of the ordinary share of Class B was SEK 10.68, Class D was SEK 29.50 and for the preference share the price was SEK 583.20. The market capitalization of the ordinary Class B share (including the value of unlisted Class A ordinary shares at the same price) was SEK 8,075 million, Class D was SEK 1,228 million and for the preference share was SEK 102.2 million.

CLASS B SHARE DEVELOPMENT LAST 12 MONTHS



TRADING WITH THE SHARES ON NASDAQ FIRST NORTH

	Share price, SEK	
	31 Dec 2018	31 Dec 2017
Class B	10,68	6,20
Class D ¹⁾	29,50	-
Preference share	583,20	505,00

Average trading volume per trading day, SEKm

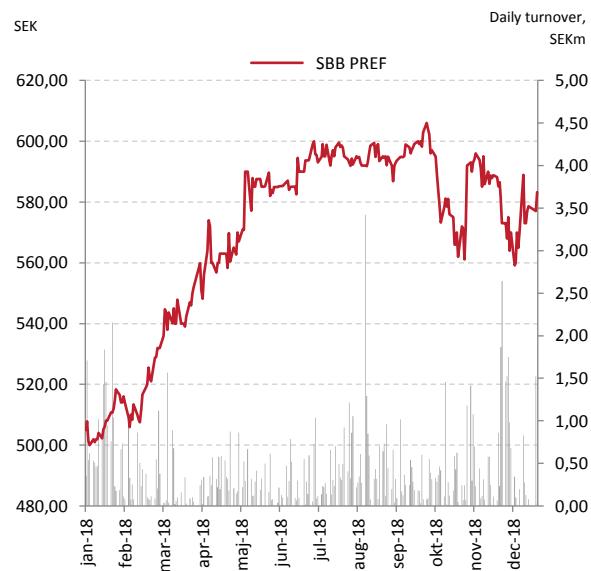
	Jan-Dec 2018	Jan-Dec 2017
Class B ²⁾	3,4	1,7
Class D ¹⁾	0,6	-
Preference share ³⁾	0,4	0,7

1) Price data is missing for the time before listing, on Dec 14, 2018.

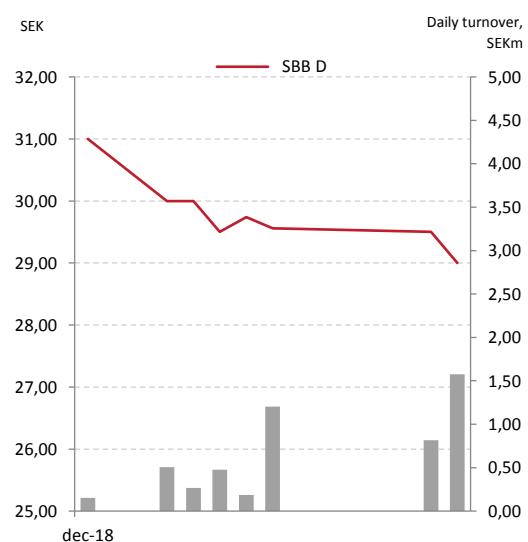
2) Price data is from January 17, 2017.

3) Price data is missing for the time before listing on October 12, 2017.

PREFERENCE SHARE DEVELOPMENT LAST 12 MONTHS



CLASS D SHARE DEVELOPMENT SINCE LISTING



SHARE CLASSES

SBB holds four different classes of shares; ordinary shares of Class A, B and D and preference shares. There are differences between the share classes in terms of voting rights and rights to the company's assets and profits. The provisions on voting rights and distribution of profits are decided by the Annual General Meeting and can be found in the Articles of Association.

COMMON SHARES

SBB's ordinary Class A shares are not listed. SBB's common shares of Class B and D are listed on Nasdaq First North Premier Stockholm. A common share of Class A entitles one (1) vote to a common share of Class B and D, which entitles to one tenth (1/10) vote. Owners of ordinary shares of Class A may at any time request conversion (re-balancing) to ordinary shares of Class B. If the general meeting decides on dividends, SBB's ordinary shares of Class D are entitled to an annual dividend of five times the total dividend on the ordinary shares of Class A and B, however, no more than SEK 2 per share and year.

PREFERENCE SHARES

Preference shares are available on three levels in the SBB Group; in the Parent Company, in the subsidiary Karlbergsvägen 77 Fastighets AB (publ) and the subsidiary New Barcode 121 Bidco AS.

SBB's preference share was listed on Nasdaq First North in October 2017 and the first trading day was October 12. Beginning in February 18, 2018, the preference share is traded on Nasdaq First North Premier. A preference share entitles to one tenth (1/10) vote. The total number of outstanding preference shares was 175,251 at 31 December 2018. During the year, 157,954 preference shares were redeemed. If the Annual General Meeting decides on a dividend, SBB's preference shares have preferential rights over the ordinary shares, to an annual dividend of SEK 35.00 per preference share. Payment of the approved dividend is effected quarterly by SEK 8.75 per preference share. The preference share does not otherwise entail any right to dividend. Payout days for dividends shall be January 10, April 10, July 10 and October 10. If a dividend is paid with an amount that is less than the stipulated dividend, the difference is accumulated and calculated with an annual interest rate of 10 per cent until full dividend has been paid. Profit distribution of outstanding amounts also presupposes that the general meeting resolves on dividends. If the company dissolves, preference shares shall carry preferential rights over ordinary shares to receive from the company's assets an amount per preference share corresponding to what would have been received if the shares were redeemed before distribution to shareholders of ordinary shares.

The preference shares in Karlbergsvägen 77 Fastighets AB (publ) was even 2019-01-25 listed on Nasdaq First North. A preference share entitles to one tenth (1/10) vote. The total number of preference shares outstanding was 2,230,000 as of December 31, 2018, of which SBB's holdings amounted to 2,102,878 preference shares, ie. 94 percent of the preference shares. If the Annual General Meeting decides on dividends, the preference shares have preferential rights over the ordinary shares, to a profit share corresponding to the total amount of payments paid or shareholder contributions relating to preference shares and an annual interest of 7% per year. Prior to the final settlement of the planned project, the preference shares do not warrant any profit sharing.

The preference share in New Barcode 121 Bidco AS is not listed and entitles to one tenth (1/10) vote. The total number of outstanding preference shares was 4,700 at December 31, 2018. During the year, SBB acquired 1,565 preference shares. If the Annual General Meeting decides on dividends, preference shares have preferential rights to dividends over other dividends, to an annual dividend of NOK 7,000 per preference share. Payment of the approved dividend is effected quarterly with NOK 1 750 per preference share. After the fifth year, the annual dividend is increased by NOK 500 until the dividend is NOK 9,500 per year. The preference share does not otherwise entail any right to dividend. Payout days for dividends shall be January 5, April 5, July 5 and October 5. If a dividend is paid with an amount that is less than the stipulated dividend, the difference is

accumulated and calculated at an annual interest rate of 9 percent until full dividend has been paid. Profit distribution of outstanding amounts also presupposes that the general meeting resolves on dividends. If the company dissolves, preference shares shall carry preferential rights over ordinary shares to receive from the company's assets an amount per preference share corresponding to the subscription price for the preference shares with the addition of any outstanding amount relating to dividends.

DIVIDEND POLICY

SBB's long term dividend target (on ordinary shares and preference shares) is 40 per cent of the dividend-based income. However, dividends may only be paid insofar as other financial targets are maintained.

HYBRID BOND

SBB has issued hybrid bonds amounting to SEK 1.9 billion. The hybrid bonds have a perpetual maturity with an floating interest rate plus 6.1 to a 7 per cent margin until the first redemption date, which is 5.5 years after the issue date. The bonds can only be redeemed by the issuer. The issuer also has the right to defer interest payments. Therefore, hybrid bond are treated as an equity instrument and not as a financial liability. Interest on the hybrid bonds is reported directly against equity.

TRADE IN SBB'S SHARES

Samhällsbyggnadsbolagets' Class B shares are traded on Nasdaq First North Premier, Stockholm. Share's ticker symbol is SBB B. ISIN-code is SE0009554454. A trading item corresponds to one (1) share.

Samhällsbyggnadsbolagets. Class D shares are traded on First North Premier, Stockholm. Share's ticker symbol is SBB D. ISIN-code is SE0011844091. A trading item corresponds to one (1) share.

Samhällsbyggnadsbolagets preference shares are traded on Nasdaq First North, Stockholm. Share's ticker symbol is SBB PREF. ISIN-code is SE0009580715. A trading item corresponds to one (1) share.

Erik Penser Bank AB is the Certified Adviser for Samhällsbyggnadsbolaget.

EPRA KEY RATIOS

	2018-12-31	2017-12-31
EPRA Earnings (Acq. Res. after paid tax), SEKm	320	298
EPRA Earnings (EPS), SEK/share	0,43	0,46
EPRA NAV (Long-term net asset value), SEKm	8 736	7 120
EPRA NAV (Long-term net asset value), SEK/share	11,55	9,65
EPRA NNNAV (Current net asset value), SEKm ¹⁾	7 838	6 282
EPRA NNNAV (Current net asset value), SEK/share	10,37	8,51
EPRA Vacancy Rate (Vacancy ratio)	3,4	3,2

1) Real value of deferred tax is estimated to be 5.5 %.

OWNERSHIP

SBB's largest shareholder is Ilija Batljan, who directly and indirectly holds 13.8 percent of the capital and 40.6 percent of the votes.

Shareholders	Amount Class A	Amount Class B	Amount Class D	Amount Pref. shares	Share of capital, %	Voting Share, %
Ilija Batljan Invest AB	63 495 701				8	23.6
Ilija Batljan (privately/ companies)	45 558 167	1 137 606			5.9	17
AB Arvid Svensson	26 000 000	26 666 667			6.6	10.7
Compactor Fastigheter AB	21 997 977	25 405 525			5.9	9.1
Backahill AB	13 919 159	14 605 317			3.6	5.7
Dragfast AB	7 322 229	28 100 000	50 000		4.4	3.8
Meteva AS		77 029 772			9.7	2.9
Investmentaktiebolaget Cyclops	6 349 570	2 666 666			1.1	2.5
Assindia AB	4 762 186	2 928 164			1	1.9
AktFast Förvaltnings AB	4 762 186	2 237 814			0.9	1.9
Stiftelsen för Strategisk Forskning		42 651 810			5.3	1.6
Lennart Schuss (privately/ companies)	2 634 957	15 424 060			2.3	1.6
Postens Pensionsstiftelse		40 551 810			5.1	1.5
HighHill Intressenter AB		40 701 897			5.1	1.5
Oscar Lekander	3 174 785	292 700			0.4	1.2
Krister Karlsson	3 174 785				0.4	1.2
Other	6 825 789	225 671 732	41 576 390	175 251	34.4	12.5
Total	209 977 491	546 071 540	41 626 390	175 251	100.0	100.0

In accordance with the decision of the Annual General Meeting 2018, the shareholders have appointed the following persons; Mia Batljan (chairman), Rikard Svensson, Sven-Olof Johansson and Lennart Schuss to constitute nomination committee for the time until a new nomination committee has been appointed according to the mandate from the Annual General Meeting 2019.



TAX

SBB reports tax charges in the form of current tax and deferred tax, calculated on the basis of the current tax rate of 22 percent in Sweden, with the exception of deferred tax which is calculated on the basis of a new tax rate of 20.6 percent, 23 percent in Norway and 20 percent in Finland.

CURRENT TAX

Current tax in the income statement is calculated on the taxable profit after utilization of any approved tax loss carry forwards based on a nominal tax rate of 22% after possible utilization of loss carry-forwards. Current tax may also include tax due to re-taxation from previous years. The taxable result refers to the profit for the year after the influence of, among other things, tax deductible depreciation and tax deductions for certain investments. Tax depreciation is based on the Swedish Tax Agency's assigned percentages; Building 2-5 percent depending on the property type, land plant 5 percent and construction equipment 20 percent. Mark is not written off. With tax-deductible direct deductions for investments is meant on remodeling within the so-called The extended concept of repair as a direct deduction can be made for even if they are value-increasing and activated in the accounts. Repairs and maintenance expenses are deducted immediately. Current tax is the tax that is paid and is therefore, in contrast to deferred tax, affecting cash flow.

PROPERTY TAX

Property tax is applicable on a number of the Group's properties. However, so called special social infrastructures properties such as, for example, education and care buildings are exempt from taxation of property tax in Sweden. A large part of SBB's community properties come under this criteria. For residential, the lower of a property fee paid for 2018 amounted to SEK 1,337 per apartment and property tax of 0.3 per cent of the valuation value. For other properties, the property tax is at 1 per cent of the tax value. In Norway, the level of the property tax is determined by the municipalities.

DEFERRED TAX

Deferred tax refers to a provision for a possible future tax. The deferred tax includes changes in deferred tax assets and deferred tax liabilities. The items are reported at net value under deferred tax liability in the balance sheet and the deferred tax in the income statement corresponds to the change in deferred tax liability in the balance sheet.

Deferred tax assets consist of the estimated tax for loss carryforwards. The deficit deductions can be utilized to reduce the future taxable income. Tax receivables are realized as the loss carryforwards are used. The possibility of utilizing the loss carry-forwards may be limited due to the tax-related possibilities of adjusting earnings between group companies.

Deferred tax liability consists of the tax effect on the difference between the fair value of the properties and derivatives and their tax value (temporary differences). Temporary differences acquired through company acquisitions are managed differently depending on whether they are asset acquisitions or business combinations. In the case of an asset acquisition, no deferred tax liability is reported on temporary differences. If the acquisition is classified as a business combination acquisition, deferred tax liability is reported for the entire temporary difference. The tax liability is realized when, and if, a property is sold.

TAX IN 2018

Deferred tax is calculated as of mid-year with a nominal tax of 20.6 per cent on differences between reported and taxable value of assets and liabilities. The deferred tax liability amounted to SEK 1,047 million (863) on December 31, 2018, and is mainly attributable to investment properties and loss carryforwards.

As a consequence of the new tax rules which became applicable from January 1, 2019, deferred tax in the Swedish operations was revalued at 20.6 per cent. The government lowered the tax rate in two steps, first to 21.4 per cent in 2019 and then to 20.6 per cent in 2021. SBB has decided to calculate the deferred tax liabilities at 20.6 per cent since they are not expected to be reversed to any significant extent in 2019 and 2020. The impact of the change in tax rate from 22 percent to 20.6 percent is SEK 48 million in 2018.

Total tax in the P&L was SEK -213.8 million (701.7), of which SEK -1.4 million (-39.7) related to current tax and SEK -212.4 million (-662.0) refers to deferred tax related to properties and loss carryforwards.

TAX DISPUTES

In 2017, SBB was involved in a tax dispute over VAT in the subsidiary AB Höökullen (publ). The Swedish Tax Agency has ruled that owner-related costs related to the company's listing process in 2016, which were subsequently terminated, should be included as part of the management fee and invoiced to other companies within the Höökullen Group. The decision means an adjustment amount of SEK 6.4 million and a tax surcharge of SEK 1.3 million. AB Höökullen (publ) has appealed the decision to the Administrative Court.

RISK AND SENSITIVITY

A property company is exposed to various risks and opportunities in its operations. To limit the exposure to various risks, SBB has set out and adheres to internal regulations and policies.

PROPERTY VALUES

Risk

The Group's properties are reported at market value in the Group's consolidated balance sheet and changes in value are reported in the income statement. Changes in value are affected partly by property-specific factors such as rental levels, occupancy rates and operating costs, and partly by macroeconomic factors such as the general economic situation, growth, unemployment levels, the rate of growth of new builds, population growth, inflation and interest rates. If value of properties decreases as a result of write-downs, there can be a number of consequences including breach of loan covenants, which can lead to loan repayments being accelerated. A significant reduction in the market value of the properties could also have a negative impact on the ability to divest these properties without incurring losses, which in turn could have a material adverse effect on the Group's financial position and results.

Handling

SBB's property portfolio has a good geographical spread with residential and social infrastructure properties in Sweden and Norway. Fifty eight per cent of the property portfolio is in the metropolitan regions. In Sweden, SBB owns, manages and develops residential in high growth municipalities where there is high demand for residential near city centers and there is access to good transport links. The social infrastructure properties tenants include properties that house tenants who are directly or indirectly financed tax revenue on long leases. In summary, SBB's property portfolio with the combination of municipal properties and residential constitutes assets with low risk of impairments.

FINANCING

Risk

Apart from equity, the Group's operations are mainly financed through bond loans and through loans from credit institutions. As a result, SBB is exposed to financing and interest rate risks. Financing risk is the risk that SBB may not have access to financing or only have access to financing at an increased cost for refinancing, investments and other payments. Furthermore, certain loan agreements and bond terms contain terms that may limit the Group's ability to enter into new debt securities. If the Group is unable to obtain funds for refinancing or new borrowing or only at less favourable terms, it may have a material adverse effect on the Group's financial position.

Interest rate risk is described as the risk that arises from changes in the interest rates which may adversely impact the Group's interest expense, which is one of the Group's main expense item. Interest expenses are mainly affected by, apart from the level of interest-bearing liabilities, the level of the current market interest rate, credit institutions' margins and the strategy for fixed interest periods. The Swedish market interest rate is mainly affected by the expected rate of inflation and the Riksbank's repo rate. The interest rate risk can lead to changes in market value and cash flows as well as fluctuations in the Group's earnings.

Management

The financing risk is managed through targets in the finance policy for tied-up capital, loan maturity structure in particular years and loan volume in relation to forms of borrowing and lenders as well as exercising prudence when refinancing and maintaining a well-balanced liquidity reserve. As of December 31, 2018, the average remainder of the loan portfolio amounted to 4.59 years. In addition, the Company held SEK 2,305 million in cash, loan commitments and unutilized credit lines. The objective of SBB's interest rate risk strategy is to achieve stable cash flows to allow property investments and meet the requirements and expectations of

external parties whilst achieving the best possible financial cash flow. The interest rate risk strategy's aim is to maintain a balanced combination of variable and fixed interest rate, taking into account the sensitivity of SBB's total cash flows to changes in the fixed income market over a long-term horizon. The average fixed interest term at the end of the year was 2.59 years and the share of the loan portfolio with fixed interest terms through interest rate derivatives or fixed interest loans was 60 per cent.

ENVIRONMENT

Risk

Property management and property development have environmental impact. The Environmental Code (1998: 808) states that anyone who engages in activities that contributed to pollution are also responsible subsequent treatment. If the operator cannot carry out or pay for this remediation treatment of a property, a party that has acquired the property, and who, at the time of acquisition, knew of or should have detected the pollution is responsible. This means that SBB can be subject to claims, under certain conditions, for land remediation or for remediation regarding actual or suspected pollution of land, water areas or groundwater in order to restore the property to the condition required under the Environmental Code. Such claims can have a material adverse effect on the Group's operations, financial position and income. There is also a risk that future environmental risks may adversely affect the Group's operations or financial position. Furthermore, amended laws, ordinances and requirements from authorities in the environmental area can result in increased costs for the Group regarding sanitation or remediation for existing properties or properties acquired in the future. Such changes may also result in increased costs or delays for the Group to be able to carry out its property development.

Management

As part of the acquisition process, a thorough analysis of possible environmental risks is carried out prior to each acquisition. SBB does not undertake any activity that requires special environmental licences, but property management and property exploitation can have an impact on environmental. At present there is no knowledge of any significant environmental requirements to which SBB could be subject.

RENTAL INCOME AND OCCUPANCY RATE

Risk

In the long term, a property's rental income is affected by, among other things, supply and demand in the market. The Group's rental income is affected by the occupancy rate of the properties, contracted rental levels and the ability of tenants to pay rent on time. Reduced rental rates or rental levels will, regardless of reason, affect the Group's revenue negatively. The risk of large fluctuations in the occupancy rate and loss of rental income increases with the number of large tenants for a property company. The risk that large tenants will not renew or extend their rental agreements at the end of the lease, which in the long run may lead to a reduction in rental income and a reduction in occupancy rate. SBB is also dependent on the tenants paying their rents on time. Revenue and cash flow can be adversely affected if the tenants stop paying, or in any other way do not fulfill their obligations.

Management

SBB's strategy is to own, manage and develop residential in Sweden and social infrastructure properties in the Nordic region in the long term, ie. a market with stable and strong underlying driving forces. The property portfolio is characterised by high occupancy rates and long contracts. Homes are located in Swedish growth municipalities with proximity to town centers and access to good transportation links and where demand for residential is high. Furthermore, the social infrastructure properties include properties that are used by tenants who are directly or indirectly financed by tax-revenues and on long-term leases. The average contract length for the community properties was 7 years as of December 31, 2018. The occupancy rate was 96.2 percent.

SBB's rental policy contains requirements for managing rental risk. On the assessed credit risk, certain leases are supplemented by a guarantee, deposit or bank guarantee. All rents are payable in advance. In the case of residential, a credit report is required to check any payment remarks and the income level of the potential

tenant. In addition, a affordability test is carried out to ensure that the potential tenant's financial situation allows for the payment of the rent while meeting the demands of the Consumer Agency on a reasonable standard of living.

TAXES

Risk

SBB's upmost intention is to comply with laws and regulations, not least within the area of taxation. However, lack of clarity and if SBB's interpretation of tax law, treaty and regulations or their application is incorrect, or if one or more governmental agencies successfully make negative tax adjustments or if the applicable laws, treaty, regulations or state interpretation of them or administrative practice regarding them changes, even with retroactive effect, the Group's previous or current taxation can be questioned. If tax authorities were to succeed with such claims, this could lead to an increased tax expense, as well as tax supplements and interest, which could have a material adverse effect on the Group's operations, financial position and income.

On June 14, 2018, the Swedish Parliament approved a bill from the Swedish government (New tax rules for the corporate sector) regarding a new and additional proposal for a general rule for limiting internal and external interest deductions in the corporate sector. According to the adopted bill, as a general rule, deductions for negative deductible net interest shall be limited to 30 per cent of taxable EBITDA. The rules were effective from January 1, 2019 and apply to fiscal years starting after December 31, 2018. Furthermore, corporate tax is reduced in two steps - 21.4% from 2019, and 20.6% from 2021. The new rules will have some impact on company's tax obligation. However, the combination of previous tax losses that may be utilized, reduced interest expense and reduced corporate tax means that the impact of the new taxation rules is not expected to be large in the near future.

On March 30, 2017, the Swedish government presented a bill (SOU 2017: 27) which, if adopted, would probably affect future taxation of property investments. The proposal concerns change to the prevailing income tax, as well as the stamp tax rules and capital gains taxation. During the summer of 2017, the bill was sent for referral for opinions. These opinions, and the proposal in general, are currently being analyzed and prepared by the Swedish Government before the legislative procedure can continue. The proposal includes, among other things, the deferred tax liability that is attributable to the difference between the taxable and the market value of properties will be taxed when the controlling influence of a property-owned company changes. It is proposed that the indirect property sale be stamped with stamp duty. If the bill is implemented in its current formulation, this could mean that tax is to be paid on the Group's all future divestments of property-owned companies.

Since laws, treaties and other tax regulations, as well as other tax fees, tax surcharges and interest on unpaid taxes, have historically been subject to frequent changes, further changes are expected in the future within the jurisdictions in which the Group operates, possibly with retroactive effect. Such a change may have a significant impact on the Group's tax burden.

Management

SBB aims to continuously monitor changes in laws, practices and court decisions in the tax area and employ tax experts from several reputable companies.

PROPERTY COSTS

Risk

Tenants renting social infrastructure properties usually have comprehensive responsibilities for operation and maintenance. Operating expenses are mainly costs that are tariff-based, such as electricity, cleaning, water and heating costs. Several goods and services are often purchased from a limited number of suppliers, which can also affect the price. When a cost increase is not compensated by rent adjustment, or an increase in the rent

through renegotiation of the lease agreement, this can have a material adverse effect on SBB's financial position and results. In the event of vacant rental properties, effect is mainly loss of revenue.

Maintenance costs include costs that are necessary to maintain the properties' standard in the long term. Unforeseen and extensive renovation needs of the properties can have a material adverse effect on SBB's income and cash flow.

Management

SBB organisation has extensive knowledge and experience of property management; SBB has very good control of its properties. The management organisation is constantly working on cost optimization. The property portfolio is characterised by properties with long contracts and a high occupancy rate and thus vacant rental properties are low. The standard of the properties is high and there are no major extensive renovation needs in the portfolio.

PROPERTY DEVELOPMENT

Property development projects (including new construction and renovation of existing buildings or change of use) are subject to permits and decisions by authorities in so far as they do not already exist. Such permits and decisions cannot always be guaranteed and can cause delays, increased costs and potentially hinder the realization of a project. Furthermore, changes in municipal planning can lead to detailed plans not being approved, which causes delays and increased costs attributable to necessary restructuring of the project. If the necessary permits or approvals are not received, delays can be caused, costs increase or even jeopardize the realization of the project, which can have a material adverse effect on the Group's financial position and results.

Management

SBB's organisation has extensive knowledge and extensive experience of conducting property development projects. SBB's business model is to acquire properties that generate a positive cash flow up to the detailed plan and further development. The acquisitions are often made off-market and after SBB has had a dialogue with the respective municipality in order to ensure that the property with close proximity is prioritized for urban development. In cases where SBB has entered into a joint venture with another party for the development of the property, SBB takes a very limited implementation risk in that the other party takes responsibility for project planning, sales, production and project management.

OTHER RISKS

Operating risk

Operating risk is the risk of incurring losses due to inadequate procedures and / or irregularities. Adequate internal control, administrative systems adapted for this purpose, skills development and access to reliable valuation and risk assessment models provide a good basis for ensuring operational safety. Shortcomings, defective procedures and / or irregularities in operational security may have a material adverse effect on SBB's operations. SBB works continuously to ensure the company's safety and internal control.

Employees

The knowledge, experience and commitment of SBB's employees are important for the Group's future development. If SBB fails to retain the members of the management and other key personnel, or manages not to recruit new members to the management or other key personnel to replace those who leave, it can have a material adverse effect on the Group's operations, financial position and results. SBB works actively to be an attractive employer, among other things. an incentive program has been established.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Corporate governance at Samhällsbyggnadsbolaget i Norden AB (publ) (hereinafter referred to as "SBB" or "the company") aims to ensure that rights and obligations are distributed among the company's bodies in accordance with applicable laws, rules and processes. An effective and transparent corporate governance gives the owners the opportunity to assert their interests vis-à-vis the company's management, at the same time as the division of responsibility between the management and the Board, but also otherwise within the company, is clear. An effective and transparent corporate governance results in decisions being made effective, which enables SBB to act quickly when new business opportunities arises.

SBB is a Swedish public limited company whose B shares, D shares and preference shares are listed on Nasdaq Stockholm First North Premier. SBB has also issued bond loans that are listed on Nasdaq Stockholm. SBB's corporate governance is based on law, articles of association, Nasdaq Stockholm's rules for First North (Nasdaq First North Nordic - Rulebook), Nasdaq Stockholm's regulations for issuers of interest-bearing financial instruments, and the rules and recommendations issued by relevant organisations. The Swedish Code of Corporate Governance (the "Code") shall be applied by all companies whose shares are trading on a regulated market. Nasdaq First North does not hold the legal status of a regulated market. SBB is therefore not obliged to comply with the Code but strives to apply the Code in all material aspects. The code is available at www.bolagsstyrning.se, where the Swedish corporate governance model is also described. This corporate governance report is presented in accordance with the Annual Accounts Act and the Code and describes SBB's corporate governance during the fiscal year 2018. This year's Corporate Governance Report strives to avoid repetition of information on what follows from applicable regulations and focuses on reporting on company-specific circumstances for SBB.

ANNUAL GENERAL MEETING

SBB's Annual General Meeting 2019 will take place on 29 April 2019 in Stockholm. Shareholders have the right to raise issues for discussion at the Annual General Meeting, subject to written requests has been received by the Board by March 11, 2019 at the latest. Contact information is available on the company's website, www.sbbnorden.se. SBB always strives for the Board, the management team, the nomination committee and the auditor to be present at the annual general meeting. The Annual General Meeting is, according to the Swedish Companies Act, the company's highest decision-making body and it is at a general meeting that shareholders have the right to make decisions regarding the company. Rules governing the Annual General Meeting are included in the Swedish Companies Act, the Code and Articles 7 - 9 of the Articles of Association. Apart from what is stipulated by law regarding a shareholders' right to participate in the Annual General Meeting, SBB's Articles of Association state that pre-notification to the Annual General Meeting shall take place no later than the date stated in the notice to the meeting. Notice of the Annual General Meeting is made by keeping the notice available on the company's website and being advertised in domestic newspapers. At the same time as the notice is given, an announcement is made in *Dagens Nyheter*. The General Meeting shall be held at the place where the Board has its registered office, i.e. Stockholm and the Annual General Meeting shall be held within six months from the end of the financial year. The company's financial year runs from 1 January to 31 December.

At SBB's Annual General Meeting 2018, among other things, a decision was made to authorize the Board of Directors, on one or more occasions for the period until the end of the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, to make a decision on a new share issue of all share classes existing in the Articles of Association and warrants and / or convertibles with the right to subscribe / convert to all share classes in the Articles of Association. The number of stock and / or preference shares, warrants or convertibles that may be issued on the basis of the authorization shall not be limited in any other way than that which follows from the limits of the articles of association in force at any time concerning share capital and number of shares. This authorization was exercised by the Board once in 2018 through the issue of 600,000 new ordinary Class B shares.

At the Extraordinary General Meeting on November 5, 2018, it was resolved to introduce into the Articles of Association the possibility of issuing Ordinary Class D shares, and authorized the Board of Directors to, up to the next Annual General Meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, against cash payment or against payment through set-off or with subordinated debt, or otherwise with conditions, decide on the issue of new shares of Class D, however, that such issues may not cause the company's registered share capital or number of shares in the company to be increased by more than what fits within the current articles of association. This authorization was exercised by the Board eight times in 2018 through the issue of a total of 42,531,826 new Class D shares.

At the Extraordinary General Meeting on November 20, 2018, it was decided, among other things, to authorizing the Board of Directors, within the framework of the current Articles of Association, with deviation from the shareholders' preferential right, on one or more occasions until the next Annual General Meeting, decide on an increase of the company's share capital through a new issue of a maximum of 6,664,100 ordinary shares of Class D in the company to holders of redemption claims with payment through a set-off issue against redemption claim. This authorization was exercised by the Board once in 2018 through the issue of a total of 3 159 080 new ordinary Class D shares.

THE SHARE AND SHAREHOLDERS

The number of shares in the company on December 31, 2018 amounted to 797,850,672 divided into four classes of shares, 209,977,491 Class A shares, 546,071,540 Class B shares, 41,626,390 Class D shares and 175,251 preference shares. Class A shares can be converted into Ordinary Class B shares at the request of the holder. The Class D shares are entitled to five (5) times the total dividend on the Class A and the Class B shares, however, no more than SEK 2 (2) per share and year. The preference shares have the right and preference for dividend of SEK 35 per share and year with quarterly payment and are subject to redemption provisions. The stock A shares entitle the holder to one vote per share and the class B shares, the D shares and the preference shares entitle the holder to 1/10 vote per share. At year-end, the share capital was SEK 79,785,067.20 and the quota value per share was SEK 0.1. The largest shareholder is Ilija Batljan, who directly and indirectly holds 13.8 percent of the shares and 40.6 percent of the votes and AB Arvid Svensson who holds 6.6 percent of the shares and 10.7 percent of the votes.

ARTICLES OF ASSOCIATION

SBB's Articles of Association, which were adopted at the Extraordinary General Meeting on November 5, 2018, can be found at www.sbbnorden.se. The Articles of Association stipulate that the company shall, directly or indirectly, own and manage properties and / or shares and carry out related activities. The Board has its registered office in Stockholm and shall consist of 3 - 10 members with a maximum of 5 deputies. The Articles of Association do not contain any special provisions on the appointment and dismissal of Board members, or on the amendment of the Articles of Association.

NOMINATION COMMITTEE

At the Annual General Meeting of SBB on April 27, 2018, instructions for the Nomination Committee's work were adopted. The Nomination Committee, which shall consist of the Chairman of the Board and up to three representatives appointed by the three largest shareholders in the Company as of 30 September 2018, has, according to the instructions, the task of preparing and submitting proposals to the Annual General Meeting for the Chairman of the Annual General Meeting, the election of the Chairman of the Board and other members of Board of Directors, board renumeration divided between the chairman and other members and the principles for any remuneration for committee work, election and remuneration of the auditor and deputy auditor (if applicable) and decisions on principles for the appointment of a new nomination committee.

SBB's Nomination Committee for the Annual General Meeting 2019 consists of Mia Batljan (Ilija Batljan and Ilija Batljan Invest AB), Sven-Olof Johansson (Compactor Fastigheter AB), Rikard Svensson (AB Arvid Svensson) and

Lennart Schuss (Chairman of the Board). Mia Batljan is Chairman of the Nomination Committee. Prior to the Annual General Meeting 2019, the Nomination Committee has held one minuted meeting.

In its work, the Nomination Committee has to apply the diversity policy established by the Board. Point 4.1 of the Code forms the basis for this diversity policy. As a whole, the Board of SBB shall have a combined competence and experience for the work carried out for the work of the Board, and to be able to identify and understand the risks that the business entails and the regulations that regulate the activities carried out. When new board members are elected, the suitability of the individual member must be examined in order to achieve a board with a combined competence that is sufficient for an appropriate management of the company. The Board's composition shall be characterised by versatility and breadth of the chosen members' competence, experience, gender, age, education and professional background.

THE BOARD OF DIRECTORS

According to the Articles of Association, SBB's Board of Directors must consist of at least three and a maximum of ten members with a maximum of five deputies. At the Annual General Meeting on April 27, 2018, Lennart Schuss (Chairman of the Board), Ilija Batljan, Sven-Olof Johansson, Hans Runesten, Anne-Grete Ström-Erichsen and Ewa Swartz Grimaldi were re-elected, and Fredrik Svensson was elected to the Board of Directors of the company. For information on the Board members and their assignments outside the Group and the holding of shares in SBB, see the section "Information about the Board members" below.

The Board of Directors shall meet the shareholders long term interest and bear the utmost responsibility for the company's organisation and the management of the company's affairs. The Board of Directors has established rules of procedure for the Board and an instruction for the CEO. In addition, the Board has also decided on a number of comprehensive policies, guidelines and instructions for the company's operations. This includes, among other things, the finance policy, information policy, insider policy, IT policy, policy for related party transactions, instructions for financial reporting, whistleblower policy and ethical guidelines for the company's conduct (code of conduct). All these internal control documents are processed at least once a year and are updated on an ongoing basis to comply with laws and when otherwise needed.

According to the Code, a majority of the board members elected by the AGM must be independent in relation to the company and the company's management. At least two of these must also be independent in relation to the company's major shareholders. The company's Board of directors has been deemed to meet the requirements for independence, since six of the seven members elected by the AGM are independent in relation to the company and the management. The company's CEO, Ilija Batljan, has not been deemed to be independent in relation to the company and the company management. Four out of seven members have been deemed to meet the requirement for independence in relation to major shareholders.

CHAIRMAN OF THE BOARD

The Chairman of the Board is elected at the Annual General Meeting. The chairman of the Board must ensure that the work of the Board is carried out efficiently, that the Board fulfills its duties and that the Board's decision is executed by the company and the management. The chairman shall ensure that the Board receives the information and the documentation required to make well-founded decisions. At the Annual General Meeting on April 27, 2018, Lennart Schuss was re-elected as Chairman of the Board.

BOARD OF DIRECTORS WORK DURING 2018

The Company's Board of Directors held 71 meetings during 2018, of which one was a statutory meeting. There are a number of standing issues on the agenda for each ordinary board meeting: the CEO's review of the business, acquisitions, divestments and investments, organisation and organisational development, and financial reporting. During 2018, the Board decided on several major acquisitions, divestments, investments, financing and refinancing. In addition, the Board has decided on the issuance of Class B shares, Class D shares and preference shares in accordance with authorization from the Annual General Meeting.

Name	Elected year	Birth year	Independence on company/management	Independence on major shareholders	Board meeting attendance
Lennart Schuss	2017	1952	Yes	Yes	71/71
Ilja Batljan	2017	1967	No	No	71/71
Sven-Olof Johansson	2017	1945	Yes	No	71/71
Hans Runesten	2014	1956	Yes	Yes	71/71
Fredrik Svensson	2018	1961	Yes	No	58/59
Eva Swartz Grimaldi	2017	1956	Yes	Yes	71/71
Anne-Grete Strøm-Erichsen	2017	1949	Yes	Yes	71/71
Seth Lieberman ¹	2017	1961	Yes	Yes	9/12

EVALUATION OF THE BOARD OF DIRECTORS AND THE EXECUTIVE DIRECTOR

Once a year, the Chairman of the Board initiates an evaluation of the work of the Board in accordance with the Board's rules of procedure. The 2018 evaluation has been carried out so that each Board member answered a questionnaire. In addition, the Chairman of the Board has had certain individual contacts with the members. The purpose of the evaluation is to get an idea of the Board members' views on how the work of the Board is conducted and what measures can be implemented to streamline the work of the Board. The intention is also to get an idea of what kind of issues the Board considers should be prioritized and in which areas it may require further experience and competence on the Board. The result of the evaluation has been reported within the Board and has been presented to the Nomination Committee.

COMMITTEES

The Board currently has two committees; an audit committee and a remuneration committee. The members of the committees are appointed for one year at a time at the statutory board meeting and the work and the authority of the committees are governed by the annual committee instructions.

The committees have a preparatory and acting role. The issues that have been discussed at committee meetings are recorded and reported at the next board meeting.

AUDIT COMMITTEE

The Audit Committee works according to an annual agenda and its task is to monitor the company's financial reporting and the effectiveness of the company's internal control and risk management. The Audit Committee also keeps itself informed of the audit of the annual accounts and consolidated accounts. The committee shall also review and monitor the auditor's independence and impartiality and in particular follow up if the auditor provides the company with services other than auditing services. The committee also supports proposals for the AGM's decision on the election of auditors.

According to the Code, the audit committee must consist of at least three members, of which the majority must be independent in relation to the company and the management and at least one independent in relation to the company's major owners. The Audit Committee consists of the entire Board of Directors, at which committee meetings were an integral part of the Board's work.

REMUNERATION COMMITTEE

The Remuneration Committee shall prepare matters regarding remuneration principles for the CEO and other senior executives as well as individual remuneration to the CEO in accordance with the remuneration principles. The principles include, among other things, the relationship between fixed and possible variable remuneration and the correlation between performance and remuneration, main conditions for any bonus and incentive program, as well as the main conditions for non-monetary benefits, pension, termination and

¹ Seth Lieberman left the Board at the Annual General Meeting in 2018.

severance pay. The CEO also applies to the Board to determine remuneration and other terms of employment. However, share-related incentive programs for management are decided by the Annual General Meeting. The committee shall further assist the Board in monitoring the system by which the company complies with the law, stock exchange rules and the Code governing the disclosure of information relating to remuneration to the CEO and other senior executives, and to monitor and evaluate any ongoing and completed programs for the year, variable remuneration for the CEO and other senior executives, the application of the guidelines for remuneration to the CEO and other senior executives that the Annual General Meeting resolves by law, as well as applicable remuneration structures and remuneration levels. The Remuneration Committee consists of the Board members Eva Swartz Grimaldi (Chairman) and Lennart Schuss who are deemed to be independent in relation to the Company and Management. In 2018, the Remuneration Committee held two meetings. The members of the committee were present at all meetings. At the meetings, among other things, the company's guidelines for remuneration to senior executives and remuneration levels for the CEO and other senior executives have been addressed.

INFORMATION ABOUT THE BOARD OF DIRECTORS

Lennart Schuss, 1952

Chairman of the Board

Chairman of the Board since 2017 and member of the Remuneration Committee. Chairman of the Board of the Group since 2016
Education: B.A. in Economics, Stockholm School of Economics.

Education: B.A. in Economics, Stockholm School of Economics.

Other positions: Advisor to Genesta Property Funds and Chairman of the Swedish Society of Friends of the Weizmann Institute of Science. Lennart is co-founder of Gimmel Fastigheter, Catella Corporate Finance, Partner Fund Commission and Stockholm Fund Commission.

Shareholding in the company (including any related holdings):

2,000,000 ordinary A shares and 14,924,059 ordinary Class B shares. Independent in relation to the company, management and the company's major owners.

Ilija Batljan, 1967

Member of the Board and CEO

Board member and CEO of the Company since 2017. Founder of the company, CEO and Board assignments within the Group since 2016.

Education: Ph.D. in demography and planning for elderly care, Stockholm University. Bachelor of Economics, Stockholm University.

Other positions: Chairman of Ilija Batljan Invest AB, Health Runner AB and Cryptzone Group AB (previously listed on First North).

Shareholding in the company (including any related holdings):

109,053,868 Class A ordinary shares and 1,137,606 Class B ordinary shares. Not independent in relation to the company and management. Is the company's largest owner.

Sven-Olof Johansson, 1945

Member of the Board

Board member of the company since 2017.

Education: Master in political science from Stockholm University and Stockholm School of Economics.

Other positions: Founder and Managing Director of FastPartner AB (publ), Chairman of the Board and Managing Director of Compactor Fastigheter AB and Board member of Autoropa Aktiebolag and STC Interfinans AB.

Shareholding in the company (including any related holdings):

21,997,977 ordinary B shares and 25,405,525 ordinary Class B shares. Independent in relation to the company and management. Not independent in relation to the company's major owners.

Hans Runesten, 1956

Member of the Board

Board member of the company since 2017.

Education: Master of business administration, Stockholm University.

Other positions: Chairman of Effnetplattformen AB (publ) and Axxonen Properties AB, as well as board member of Stendörren Fastigheter AB (publ).

Shareholding in the company (including any related holdings):

44,376,946 ordinary Class B shares. Independent in relation to the company, management and the company's major owners.

Eva Swartz Grimaldi, 1956

Member of the Board

Board member of the company since 2017. Chairman of the Remuneration Committee.

Education: Bachelor's Degree in Languages (Italian, Spanish and French) as well as from Kulturstiftelsen.

Other positions: Chairman of Doberman AB, Apotea AB and Norstedt publishing team and board member of Stockholm University, Stockholm Concert Hall, Forget Foundation and Royal Patriotic Society.

Shareholding in the company (including any related holdings):

51,724 ordinary Class B shares. Independent in relation to the company, management and the company's major owners.

Anne-Grete Strøm-Erichsen, 1949

Member of the Board

<p>Board member of the company since 2017.</p> <p>Education: B.A. in Computer Science from Bergen Technical School (University of Bergen), South Dakota School of Mines & Technology 1980-1981, further education in Statistics.</p> <p>Other positions: Partner at Rud Pedersen Public Affairs Norway AS. Board member Kongsberg Gruppen ASA and Dips AS</p> <p>Shareholding in the company (including any related holdings):</p> <p>None. Independent in relation to the company, management and the company's major owners.</p>

Fredrik Svensson, 1961

Member of the Board

Board member of the company since 2018.

Education: MBA from Linköping University.

Other positions: Board member of Balder AB. Chairman of Arvid Svensson Invest AB. CEO of Aktiebolaget Arvid Svensson.

Shareholding in the company (including any related holdings):

26,000,000 A shares and 26,666,667 B shares. Independent in relation to the company and management. Dependent in relation to the company's major owners.

REMUNERATION TO THE BOARD OF DIRECTORS

At the Annual General Meeting on April 27, 2018, the AGM resolved that up to the next Annual General Meeting, an annual fee of SEK 450,000 should be paid to the Chairman of the Board and SEK 300,000 to each of the other Board members who are not employed by the company. Furthermore, it was decided that fees for committee work shall be paid at SEK 30,000 per member of each committee.

CEO AND OTHER SENIOR EXECUTIVES

The CEO is appointed by the Board and is responsible for the day-to-day management of the company and the Group's operations in accordance with the Board's instructions and regulations. The division of responsibilities between the CEO and the Board of Directors is stated in the Board's rules of procedure and the CEO's instructions drawn up by the Board. The CEO acts as the chair of the management group and makes decisions in consultation with the other management team. This consists, in addition to Ilija Batljan (CEO), of six people: Krister Karlsson (Deputy CEO, Property Development), Lars Thagesson (Deputy CEO and COO), Eva-Lotta Stridh (CFO), Rosel Ragnarsson (Finance Director), Oscar Lekander (Business Development) and Adrian Westman (IR).

AUDITOR

The company's financial accounting records and bookkeeping, as well as the administration of the Board and management, are reviewed and audited by the company's auditor. At the Annual General Meeting on April 27, 2018, the registered auditing firm Ernst & Young AB was elected as auditor for the period until the Annual General Meeting 2019. The authorized auditor, Ingemar Rindstig, has been appointed as the chief auditor. The auditor's task is to examine the company's and the Group's annual accounts and accounts, as well as the Board's and the CEO's management of the company and the Group.

The auditor must report to the Audit Committee on significant errors in the accounting area and in the event of suspicions of irregularities. The auditor must report to the company's Board of directors at least one to two times a year, normally in conjunction with the annual report, about their observations during the audit of the company and its assessment of the company's internal control. The auditor also participates at the Annual General Meeting to present the audit report that describes the audit work and observations made. In addition to the audit assignment, Ernst & Young was hired for additional services in 2018, primarily tax and accounting issues, but also issues related to the issue of shares. Such services have always and only been provided to the extent that is consistent with the rules of the Auditing Act and FAR's professional ethics rules regarding the auditor's impartiality and independence.

INTERNAL CONTROL OF FINANCIAL REPORTING AND RISK MANAGEMENT

SBB's internal control of financial reporting is designed to manage risks and ensure high reliability in the processes regarding the preparation of the financial reports and to ensure that applicable accounting requirements and other requirements for SBB as a listed company are complied with. The Board is responsible for the internal control of the company regarding financial reporting. SBB follows the Committee of Sponsoring

Organisations of the Treadway Commission (COSO) framework to evaluate a company's internal control over financial reporting, the Internal Control - Integrated Framework, which consists of the following five components: control environment, risk assessment, control activities, information and communication and follow-up.

CONTROL ENVIRONMENT

Distribution and delegation of responsibility have been documented and communicated in internal documents governing the Board and the company such as;

- The Board's Rules of Procedure
- Instruction to the CEO
- Delegation scheme
- Certification scheme
- Other internal control documents (for example, financial manual)

All internal control documents are regularly updated when changes are made to, for example, legislation, accounting standards or listing requirements and when otherwise needed.

RISK ASSESSMENT

In accordance with the rules of procedure, the Board of Directors, as well as the Audit Committee, review the company's internal control once a year. Identification is made of the risks that are assessed and measures are set to reduce these risks. The auditor is invited to report on his/her internal control report at a board meeting and to the audit committee. The significant risks identified by SBB are errors in accounting and valuation of properties, credit risks, refinancing risks, interest rate risks, tax and VAT, and the risk of fraud, loss or misappropriation of assets.

CONTROL ACTIVITIES

Since the company's financial system is structured so that the conclusion of agreements and payment of invoices, etc. must comply with the decision paths, company signatures and authorizations stated in the internal control documents, there is basically a control structure to counteract and prevent the risks that the company has identified. In addition to these control structures, a number of control activities are carried out to further detect and correct errors and deviations. Such control activities consist of follow-up at various levels in the organisation, such as follow-up and reconciliation in the Board of Directors made decisions, review and comparison of profit items, account reconciliations, approval and reporting of business transactions with the finance department.

COMMUNICATION INFORMATION

SBB has built up an organisation to ensure that financial reporting is correct and effective. The internal control documents clarify who is responsible for what and the daily interaction between the concerned people means that relevant information and communication reaches all parties concerned. The management regularly receives financial information about the company and its subsidiaries regarding the development of letting and other management, review and follow-up of ongoing and future investments and liquidity planning. The board is informed by the management team regarding risk management, internal control and financial reporting. The company's information policy ensures that all information provided externally and internally becomes correct and is given at any suitable time. All employees at SBB have, at various reviews, been involved in influencing the design of relevant internal policies and guidelines and have thus been directly involved in the preparation of these internal control documents.

INTERNAL CONTROL

As has been explained above, a continuous process takes place on an ongoing basis at all levels of the organisation. The Board regularly evaluates the information provided by the company management and the auditors. In addition, the company's auditor reports directly to the Board of directors their observations from the audit and its assessment of the internal control. Of particular importance is the Board's monitoring of the development of the internal control and to ensure that measures are taken regarding any deficiencies and proposals that emerge.

EVALUATION OF THE NEED FOR A SEPARATE INTERNAL AUDIT FUNCTION

No internal audit function is currently established within SBB. The Board has examined the issue and assessed that existing structures for follow-up and evaluation provide a satisfactory basis. All in all, this means that it is not considered justified to have a special unit for internal audit. The decision is reviewed annually.

DEVIATIONS RELATING TO THE CODE

SBB is not bound by, but has voluntarily decided to follow the Code. As mentioned, the code is based on the principle "follow or explain". This means that a company that applies the Code may deviate from individual rules, but must then give an explanation where reasons for the deviation are reported. SBB followed the Code in 2018 without deviations.

ALLOCATION OF EARNINGS

The Board proposes the following distribution of profits to the Annual General Meeting:

At the Annual General Meeting the following earnings are available for distribution:

Share premium reserve	7 210 984 637
Profit brought forward	-70 363 479
<u>Net profit for the year</u>	<u>5 190 867</u>
	7 145 812 025

The following allocation is proposed:

Dividend ordinary class A and B shareholders (SEK 0.25/share)	189 012 258
Dividend class D shareholders (SEK 2.00/share)	91 381 812
Dividend preference shareholders (SEK35/share)	6 133 785
<u>To be carried forward</u>	<u>6 859 284 170</u>
	7 145 812 025

THE BOARD'S OPINION ON THE PROPOSED DIVIDEND

The Board of Directors is hereby given the following opinion in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005: 551). Below is the Board's justification for the proposed profit distribution being in accordance with the provisions of Chapter 17, §§ 2 and 3 of the Swedish Companies Act.

The nature and scope of the operations are stated in the Articles of Association and the annual report. The business that is conducted in the company does not entail risks beyond what is or may be assumed to occur in the industry or the risks that are generally associated with conducting business activities. The financial position of the company and the Group as of December 31, 2018 is stated in the annual report. The principles applied for the valuation of assets, provisions and liabilities can be found in the notes on p. 95-124 in the annual report.

It is clear from the proposed distribution of profits that the Board of Directors propose that a dividend of SEK 0.25 per ordinary share A and B be paid, corresponding to SEK 189,012,258, SEK 2 per ordinary share D, corresponding to SEK 83,252,780 and SEK 35 per preference share, corresponding to SEK 6,133,780 and SEK 35 per preference share, corresponding to SEK 6,133,785. In total, the proposed dividend amounts to SEK 278,398,823, which represents 3.9 percent of the Parent Company's equity and 2.5 percent of the Group's equity. The Group's equity / assets ratio was 41 per cent on 31 December 2018. Distributable funds in the Parent Company as of December 31, 2018 amounted to SEK 7,088 million.

The proposed dividend does not jeopardize the investments planned or the fulfillment of other obligations. The company's financial assessment does not give rise to any other assessment than that the company can continue its operations and that the company can be expected to fulfill its obligations in the short and long term. With reference to the above and what has otherwise come to the Board's knowledge, the Board's assessment is that a comprehensive assessment of the company's and the Group's financial position means that the dividend proposal is justifiable according to Chapter 17, § 3, § 2 and 3 of the Swedish Companies Act, with reference to the requirements of the business. nature, scope and risks impose the size of the company's equity and the company's and the Group's consolidation needs, liquidity and position in general.

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CONSOLIDATED INCOME STATEMENT

Amount in SEK, thousands	Note	2018	2017
Rental income	4,5	1 680 376	1 338 677
Operating costs	4,6	-386 481	-302 518
Maintenance	4,6	-99 527	-62 471
Management administration	4,6	-92 065	-73 981
Property tax	4,6	-31 520	-22 502
Net operating income	4	1 070 783	877 205
Centraladministration	6,7,8	-101 599	-75 838
Results from associated companies/joint ventures		12 940	-
Profit before financial items		982 124	801 367
Financial items			
Interest income and similar items	9	4 211	12 282
Interest expenses and similar items	10	-537 623	-476 067
Expenses for redeemed loans in advance	10	-127 297	-
Profit from property management		321 415	337 582
Changes in value, property	13	1 574 780	2 796 844
Changes in value, derivatives	16	7 522	-3 748
Profit before tax		1 903 717	3 130 678
Tax	11	-213 759	-701 696
NET PROFIT FOR THE YEAR		1 689 958	2 428 982

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in SEK, thousands	Note	2018	2017
Net profit for the year		1 689 958	2 428 982
Translation gains/losses		-4 584	-94 088
COMPREHENSIVE INCOME FOR THE YEAR		1 685 374	2 334 894
Earnings per ordinary share A and B before dilution	21	2,07	3,60
Earnings per ordinary share A and B after dilution	21	2,03	3,60
Earnings per ordinary share D ²	21	0,50	-

² Ordinary share D has no dilution.

CONSOLIDATED BALANCE SHEET

Amount in SEK, thousands	Note	2018	2017
ASSETS			
Fixed assets			
Intangible assets			
Goodwill	12	23 679	-
Total intangible fixed assets		23 679	-
Tangible fixed assets			
Investment properties	13	25 242 538	23 000 726
Equipment, machinery and installations	14	4 507	10 376
Total tangible fixed assets		25 247 045	23 011 102
Financial fixed assets			
Shares in associated companies/joint ventures	15	213 175	110 691
Receivables from associated companies/joint ventures	16	582 990	-
Other long-term receivables	16	73 472	10 554
Total financial fixed assets		869 637	121 245
Total fixed assets		26 140 361	23 132 347
Current assets			
Current receivables			
Accounts receivable	16,22	30 337	26 271
Receivables from associated companies/joint ventures	16,29	991 255	-
Other receivables	16,17	290 043	277 898
Prepaid expenses and accrued income	16,18	32 315	39 472
Total current receivables		1 343 950	343 641
Cash and cash equivalents	16,19	156 629	92 749
Total current assets		1 500 579	436 390
TOTAL ASSETS		27 640 940	23 568 737

Amount in SEK, thousands	Notes	2018	2017
EQUITY AND LIABILITIES	20		
Share capital		79 785	73 828
Other contributed capital		4 344 715	3 040 479
Reserves		-99 837	-84 684
Retained earnings including comprehensive income		4 684 829	3 359 165
Equity attributable to the parent company's shareholders		9 009 492	6 388 788
Hybrid bonds		1 872 838	668 387
Reserves		-7 733	-18 302
Non-controlling interests		322 344	597 184
Total equity		11 196 941	7 636 057
Long-term liabilities			
Liabilities to credit institutions	16,22	5 897 706	6 595 568
Bond loans	16,22	6 598 455	5 941 057
Derivatives	16,22	11 532	35 247
Long-term liabilities to owners	16,22	-	33 600
Deferred tax liabilities	11	1 046 914	863 105
Other long-term liabilities	16,22	25 423	13 750
Total long-term liabilities		13 580 030	13 482 327
Current liabilities			
Liabilities to credit institutions	16,22	11 513	637 176
Commercial papers	22	1 840 417	-
Bond loans	16,22	326 812	660 289
Accounts payable	16,22	87 901	134 826
Short-term liabilities to owners	16,22	-	40 000
Current tax liabilities	11	19 152	53 839
Other liabilities	16,22,23	279 159	653 810
Accrued expenses and prepaid income	16,24	299 015	270 413
Total current liabilities		2 863 969	2 450 353
TOTAL EQUITY AND LIABILITIES		27 640 940	23 568 737

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in SEK, thousands								
	Share capital	Other contributed capital	Reserves	Retained earnings	Hybrid bonds	Reserves	Non-controlling interest	
Total equity 01-01-2017	723	767 582	-8 898	1 007 131	-	-	-	1 766 538
Share issue	73 105	2 270 798					469 962	2 813 865
Issue hybrid bonds					668 387			668 387
Issue warrants		2 099						2 099
Dividend					-12 658		-64 290	-76 948
Acquired minority interests							315 000	315 000
Redeemed minority interests							-187 778	-187 778
Net profit for the year				2 352 034	12 658		64 290	2 428 982
Other comprehensive income			-75 786			-18 302		-94 088
Total equity 31-12-2017	73 828	3 040 479	-84 684	3 359 165	668 387	-18 302	597 184	7 636 057
Total equity 01-01-2018	73 828	3 040 479	-84 684	3 359 165	668 387	-18 302	597 184	7 636 057
Share issue	5 973	1 419 515						1 425 488
Issue costs		-45 621						-57 621
Issue hybrid bonds					1 516 451			1 516 451
Issue warrants		9 370						9 370
Dividend				-100 152	-86 405		-38 389	-224 946
Redeemed preference shares	-16	-79 028		-18 888				-97 932
Repurchased hybrid bonds				-16 500	-300 000			-316 500
Redeemed warrants				-93 070				-93 070
Acquired minority interests							12 712	12 712
Redeemed minority interests				-10 890			-287 552	-298 442
Net profit for the year				1 565 164	86 405		38 389	1 689 958
Other comprehensive income			-15 153			10 569		-4 584
Total equity 31-12-2018	79 785	4 344 715	-99 837	4 684 829	1 872 838	-7 733	322 344	11 196 941

CONSOLIDATED CASH FLOW STATEMENT

Amount in SEK, thousands	Note	2018	2017
Operations			
Profit from property management		321 415	337 582
<i>Adjustment for non-cash flow items</i>			
Depreciations	25	1 393	2 144
Net financial items		660 709	463 785
Interest paid		-738 556	-415 585
Interest received		4 211	12 282
Income tax paid		-1 425	-39 725
Cash flow from operations before changes in working capital		247 747	360 483
Cash flow from changes in working capital			
Changes in current receivables		-6 325	-180 535
Changes in current liabilities		-402 189	330 126
Cash flow from operations		-160 766	510 074
Investment activities			
Investments in properties ¹⁾		-3 907 891	-13 674 013
Divestment of properties		3 417 516	737 071
Investments/sales equipment, machinery, installations		4 476	-6 152
Investments in associated companies/joint ventures		-102 142	-27 963
Investments in intangible fixed assets		-23 679	-
Changes in receivables from associated companies/joint ventures		-1 574 245	-
Changes in other long-term receivables	16	-62 918	3 131
Cash flow from investment activities		-2 248 883	-12 972 926
Financing activities			
Share issue ¹⁾		1 379 867	2 832 167
Issue hybrid bonds		1 504 450	668 387
Redeemed preference shares		-97 932	-
Repurchased hybrid bonds		-316 500	-
Redeemed warrants		-93 070	-
Issue warrants		9 370	2 099
Dividends paid		-185 770	-70 845
Acquired minority shares		12 712	315 000
Redeemed minority shares ¹⁾		-298 442	-187 778
New loans		7 516 067	11 101 893
Amortization of loans		-6 894 886	-1 846 342
Occupied debt to owners		-	73 600
Amortization of loans from shareholders		-73 600	-793 954
Occupied debt to associated companies/joint ventures		-	-
Change in other long-term liabilities		11 673	-45 014
Cash flow from financing activities	26	2 473 940	12 049 213
Cash flow for the period		64 290	-413 639
Cash and cash equivalents at the beginning of year		92 749	506 397
Translation difference of cash and cash equivalents		-410	-9
Cash and cash equivalents at the end of year	19	156 629	92 749

¹⁾ The amount above also include share issues without contribution of cash. Investments in subsidiaries also includes investments made by direct share issues.

NOTES - GROUP

Note 1 Significant accounting principles

General information

This annual report and consolidated accounts comprise the Swedish parent company Samhällsbyggnadsbolaget in Norden AB (publ), corporate identity number 556981-7660 and its subsidiaries. The Group conducts operations within property management and property development. The parent company is a limited liability company registered in Sweden and based in Stockholm. The company has changed its name from the Effnet platform (publ).

On March 25, 2019, the Board of Directors approved this annual report and consolidated accounts, which will be presented for adoption at the Annual General Meeting on April 29, 2019.

Principles for the consolidated accounts

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretation Committee (IFRIC IC). In addition, the Swedish Annual Accounts Act (ÅRL) and "RFR1 Supplementary Accounting Rules for Groups" have been applied. The parent company applies the same accounting principles as the Group with the exceptions and additions stated in the recommendation RFR 2 Accounting for Legal Entities issued by the Financial Reporting Board. The accounting principles set out below, unless otherwise stated, have been applied consistently to all periods presented in the Group's financial reports. The Group's accounting policies have been applied consistently by the Group's companies.

Assets and liabilities are reported at acquisition value in addition to investment properties that are valued and reported at fair value. The functional currency of the parent company is Swedish kronor, which is the reporting currency for the parent company and the Group. All amounts are stated in thousands of SEK unless otherwise stated.

Consolidated accounts

Subsidiaries

Subsidiaries are all companies in which the Group is exposed to or is entitled to variable returns from its involvement and can affect the return by means of its influence over the company. Subsidiaries are initially recognized in the consolidated accounts according to the acquisition method. Group companies are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group and they are not included in the consolidated financial statements from the date on which the controlling influence ceases. Intra-group transactions and balance sheet items as well as unrealized gains / losses on transactions between group companies are eliminated in the consolidated accounts.

Associated companies and joint ventures

As an associated company, companies in which the Group exercises a significant but not controlling influence are reported, which is presumed to be the case when the holding amounts to at least 20 and a maximum of 50 per cent of the votes. It is also assumed that ownership constitutes a part of a lasting connection and that the holding shall not be reported as a collaborative arrangement.

Collaborative arrangements mean companies in which the Group, together with other parties through agreements, has a joint controlling influence over the business. A holding in a collaborative arrangement is classified either as a joint venture 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 liabilities in liabilities.

Associated companies and joint ventures are reported according to the equity method. When applying the equity method, the investment is initially valued at the acquisition value in the Group's statement of financial position and the carrying amount is subsequently increased or reduced to take into account the Group's share of profit and other comprehensive income from its holdings after the acquisition date. If the Group's share of losses in an associated company or joint venture exceeds the holding in this associated company or joint venture, the Group does not report any additional losses unless the Group has undertaken obligations on behalf of the company. The Group's share of earnings and other comprehensive income in an associated company and joint venture is included in the Group's profit and other comprehensive income.

An assessment is made at the end of each reporting period if there is a need for impairment of 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. The write-down is reported on the line "Profit from participations reported according to the equity method" in the income statement.

Acquisition

In the case of an acquisition, an assessment is made whether the acquisition constitutes a business 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 acquisition of group companies does not relate to the acquisition of operations, without the acquisition of assets in the form of investment properties, the acquisition cost is allocated to the acquired net assets.

Reverse acquisition

A reverse acquisition occurs when the company issuing securities (the legal acquirer) is identified as the acquired company for accounting purposes. The company whose equity interests are acquired (the legally acquired company) must be the acquirer for the purpose of accounting for the transaction to be regarded as a reverse acquisition. Consolidated financial statements prepared after a reverse acquisition are issued in the legal parent company's name (accounting for acquired company) but are described in the notes as a continuation of the legal subsidiary's financial reports (accounting acquirer) with an adjustment, namely a retroactive adjustment of the accounting acquirer's share capital so it reflects the reported acquired company's share capital.

Comparative information presented in the consolidated financial statements is also adjusted retroactively to reflect the legal parent company's share capital (reported acquired company). The company's acquisition of SBB i Norden AB (publ), org. no 559053-5174, as of 2017-01-16 has been classified as a so-called reverse acquisition. This means that the Group is reported as a continuation of SBB i Norden AB Group and the comparative figures before the acquisition, i.e. 2016, consists of SBB i Norden AB Group.

INCOME STATEMENT

Income

Revenue is recognized as it is probable that the financial benefits will be met by the Group and the revenues can be determined reliably. Revenues are recognized less any discounts. The Group's revenues consist essentially of rental income.

The lease agreements are classified in their entirety as operational leases. Rental income including supplements is announced in advance and accrual of rents is made linearly so that only that part of the rents that amount to the period is reported as income. Reported rental revenues have, where applicable, been reduced by the value of rent discounts provided. In those cases where the lease gives a reduced rent for a certain period, this is periodically allocated over the current contract period. 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 composition, SBB 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.

Sale of properties is reported in connection with the risks and benefits being transferred to the buyer from the seller. Assessment of whether risks and benefits have been transferred takes place at each individual disposal opportunity. The result of the sale of real estate is reported as a realized change in value.

Leases

Leases where essentially all risks and benefits associated with ownership fall on the lessor, are classified as operating leases. All of the Group's lease agreements are therefore regarded as operating leases. Properties leased under operating leases are included in the item investment properties.

Central administration

The Group's administrative expenses are allocated to the management administration, which is part of the Group's net operating income, and central administration. To central administration, costs are grouped at the group-wide level that are not directly attributable to property management, such as costs for management, business development, property development and financing.

Remuneration to employees

Remuneration to employees consists of salaries, paid holidays, paid sick leave and other benefits and pensions.

The Group only has defined contribution pension plans. For the defined-contribution pension plans, the company pays fixed fees to a separate legal entity and has subsequently fulfilled its commitment to the employee. Defined contribution pension plans are reported as a cost in the period to which the premiums paid are attributable.

Financial income and expenses

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the interest rate that means that the present value of all future deposits and payments during the fixed interest period will be equal to the carrying amount of the receivable or liability. Financial income and expenses are recognized in the period to which they relate.

Taxes

Tax for the period consists of current tax and deferred tax. Taxes are recognized in the income statement except when the underlying transaction is reported in other comprehensive income or directly against equity, since the associated tax effect is also reported in this place.

Current tax is the tax that is calculated on the taxable profit for the period. The taxable result differs from the reported result in that it has been adjusted for non-taxable and non-deductible items. Current tax is tax that must be paid or received for the current year, possibly adjusted by current tax attributable to previous periods.

Deferred tax is reported on the difference between the reported and taxable values of assets and liabilities. Changes in the reported deferred tax asset or liability are reported as a cost or income in the income statement, except when the tax is attributable to items recognized in other comprehensive income or directly against equity.

Reporting of segments

Operating segments are reported in a manner that is consistent with the internal reporting provided to the Supreme Executive Decision Officer (HVB). The Supreme Executive Decision Officer is the function that is responsible for allocating resources and assessing the operating segments' results. In the Group, this function has been identified as the management. An operating segment is part of the Group that conducts operations

from which it can generate revenue and incur costs and for which there is independent financial information available. 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 the information obtained to make strategic decisions. As a result, the business has been divided into three segments; residential, social infra structure and other properties. The segment's results are assessed and analyzed based on net operating income. The same accounting principles are used for the segments as for the Group.

Earnings per share

Earnings per ordinary share of class A and B before dilution are calculated by dividing the net profit attributable to the parent company's shareholders with a deduction for dividend to preference shareholders and holders of ordinary shares of class D and interest on hybrid bonds divided by the weighted average number of ordinary shares of class A and B outstanding during the year.

Profit per ordinary share of class A and B after dilution is calculated by dividing the net result attributable to the parent company's shareholders with a deduction for dividend to preference shareholders and holders of ordinary shares of class D and interest on hybrid bonds, adjusted, if applicable, by the sum of the weighted average number of ordinary shares of class A and B and potential shares that can give rise to dilution effects. Dilution effect of potential shares is only recognized if a translation into shares would result in a reduction in earnings per share after dilution.

BALANCE SHEET

Goodwill

Goodwill arising from the preparation of the consolidated accounts constitutes the difference between the acquisition value and the Group's share of the fair value of the acquired subsidiaries' identifiable net assets on the acquisition date. At the time of acquisition, goodwill is reported at cost. Subsequently, it is reported at cost less any impairment losses. Goodwill is tested for impairment annually or more often if there is an indication that the carrying amount may not be recoverable.

Investment properties

Investment properties, that is, properties that are held for the purpose of generating rental income and value increases, are initially recognized at cost, including directly attributable transaction costs. After the initial accounting, investment properties are reported at fair value. Fair value is primarily based on prices in an active market and is the amount to which an asset could be transferred between knowledgeable parties who are independent of each other and who have an interest in the transaction being carried out. In order to determine the real value of the properties at each individual closing date, the market value of all properties is made.

Both unrealized and realized changes in value are reported in the income statement on the value change line of investment properties. The unrealized change in value is 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.

Additional expenses are capitalized when it is probable that future economic benefits associated with the expense will be received by the Group and thus increase the valuation, and that the expenditure can be determined with reliability. Other maintenance costs and repairs are recognized as income in the period in which they arise. In the case of major new, additional and rebuilding, interest expense is also capitalized during the production period.

Equipment

The equipment mainly consists of office equipment and cars, which have been taken up at cost less deductions for accumulated depreciation and any write-downs made. The equipment is depreciated linearly during the asset's estimated useful life. The equipment is estimated to have a useful life which is assumed to be equal to

the asset's economic life, and therefore the residual value is assumed to be negligible and not taken into account. Depreciation is calculated from the time when the asset is ready for use.

Financial instruments

Financial instruments are any form of agreement that gives rise to a financial asset in a company and a financial liability or an equity instrument in another company. Financial instruments reported in the balance sheet include on the asset side long-term receivables, accounts receivable, cash and cash equivalents, other receivables and derivatives. Liabilities include accounts payable, liabilities to credit institutions, bond loans, owner loans, other current liabilities and loan liabilities and derivatives. The report depends on how the financial instruments have been classified.

Accounting and removal

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party according to the instrument's contractual terms. Accounts receivable are recognized in the balance sheet when an invoice has been sent and the company's right to compensation is unconditional. Debt is recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are recognized when the invoice is received.

there is a legal right to offset the amounts and that there is an intention to settle the items with a net amount or to simultaneously realize the asset and settle the debt. A financial asset is removed from the balance sheet when the rights in the agreement are realized, expire or the company loses control over them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise extinguished. The same applies to part of a financial debt. At each reporting date, the company evaluates whether there are objective indications that a financial asset or group of financial assets is in need of impairment.

Gains and losses from removal from the balance sheet and modification are reported in the result.

Classification and valuation

Financial assets

Debt instruments: the classification of financial assets that are debt instruments is based on the Group's business model for managing the asset and the nature of the asset's contractual cash flows:

The instruments are classified into:

- amortized cost
- fair value through other comprehensive income, or
- fair value through profit

The Group's debt instruments are classified at amortized cost.

Financial assets classified at amortized cost are initially measured at fair value with the addition of transaction costs. Accounts receivable and rental receivables are initially reported at the invoiced value. After the first accounting opportunity, the assets are valued according to the effective interest method. Assets classified at amortized cost are held according to the business model to collect contractual cash flows that are only payments of principal amounts and interest on the outstanding capital amount. The assets are covered by a loss reserve for expected credit losses.

Equity instruments: are classified at fair value through profit or loss with the exception if they are not held for trading, as an irrevocable choice can be made to classify them at fair value through other comprehensive income without subsequent reclassification to the result. The Group currently does not hold any such equity instruments.

Derivatives: are classified at fair value through profit or loss except if they are classified as hedging instruments and the effective part of the hedge is reported in "Other comprehensive income".

Fair value is determined as described in note 16 Financial instruments.

Classification and valuation of financial liabilities

Financial liabilities are classified at amortized cost with the exception of derivatives. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. After the first accounting date, they are valued at the accrued acquisition value according to the effective interest method.

Derivatives: are classified at fair value through profit or loss except if they are classified as hedging instruments and the effective part of the hedge is reported in "Other comprehensive income".

Fair value is determined as described in note 16 Financial instruments.

Impairment of financial assets

The Group's financial assets, other than those that are classified at fair value through profit or loss or equity instruments that are measured at fair value through other comprehensive income, are subject to impairment losses for expected loan losses. Write-downs for loan losses according to IFRS 9 are forward-looking and a loss reserve is made when there is an exposure to credit risk, usually at the first accounting opportunity. Expected credit losses reflect the present value of all cash flow deficits attributable to default either for the next 12 months or for the expected remaining maturity of the financial instrument, depending on the asset class and on the credit deterioration since the first reporting date. Expected credit losses reflect an objective, probability-weighted outcome that takes into account most scenarios based on reasonable and verifiable forecasts.

The simplified model is applied to accounts receivable, contract assets and rental receivables. A loss reserve is reported, in the simplified model, for the expected residual maturity of the asset or asset.

For other items covered by expected loan losses, an impairment model with three stages is applied. Initially, as well as on each balance sheet date, a loss reserve for the next 12 months is reported, or for a shorter period of time depending on the remaining maturity (stage 1). If there has been a significant increase in credit risk since the first accounting date, a loss reserve for the asset's remaining maturity (stage 2) is reported. For assets that are deemed to be credit impaired, provisions for continued loan losses for the remaining maturity (stage 3) are still reserved. For credit-impaired assets and receivables, the calculation of interest income is based on the asset's reported value, net of loss reserves, as opposed to the gross amount as in the previous stages.

The valuation of expected loan losses is based on various methods. The method for accounts receivable, contract assets and rental receivables is based on historical customer losses combined with forward-looking factors. Other receivables and assets are written down according to a rating-based method through external credit rating. Expected credit losses are valued at the product of probability of default, loss given default and the exposure in the event of default. For credit-impaired assets and receivables, an individual assessment is made, taking into account historical, current and forward-looking information. The valuation of expected loan losses takes into account any collateral and other credit enhancements in the form of guarantees.

The financial assets are recognized in the balance sheet at amortized cost, i.e. net of gross value and loss reserve. Changes in the loss reserve are reported in the income statement.

Hedge accounting

The Group applies IFRS 9 hedge accounting for financial instruments aimed at hedging financial risks related to net investments in foreign operations.

The Group assesses, evaluates and documents efficiency both at the beginning of the hedge and on an ongoing basis. The effectiveness of the hedge is judged on the basis of an analysis of the economic relationship between hedged item and hedging instrument, and the effect of credit risk must not dominate changes in value in underlying items and instruments. In addition, the hedging ratio in the economic relationship should be that used in the hedging relationship.

Hedges of net investments in foreign operations: The Group uses commercial paper in foreign currency and other loans as hedging instruments. Changes in the fair value of the hedging instrument are reported in "Other comprehensive income" to the extent that the hedging is effective and the accumulated changes in fair value are reported as a separate component of equity. Profit or loss arising from the part of the hedge that is not effective is recognized immediately in profit for the year. Upon divestment of foreign operations, the gain or loss accumulated in equity is converted to profit for the year, which in turn increases or decreases the result for the sale.

Accounting for termination of hedging: Hedge accounting cannot be terminated according to decision. Hedge accounting ceases when:

- when the hedging instrument matures or is sold, liquidated or redeemed,
- when there is no longer an economic connection between hedged item and hedging instrument, or credit risk, value changes that result from the economic relationship dominate, and
- when hedge accounting no longer meets the goals of risk management.

Upon divestment of foreign operations, the gains or losses from equity are reclassified to the result.

Cash and cash equivalents

Cash and cash equivalents consist of cash and cash equivalents and immediately available balances with banks and corresponding institutions. Cash and cash equivalents are subject to the requirement for loss reserves for expected credit losses.

Comparative year according to IAS 39

Financial instruments are reported in accordance with IAS 39 in the comparative year 2017.

IAS 39 had other classification categories than IFRS 9. The classification categories according to IAS 39 nevertheless entailed corresponding accounting at amortized cost and at fair value in the result.

IAS 39 had another method for provisioning for loan losses, which meant that a provision was made at the established credit event, unlike the method according to IFRS 9, where provision is made for expected loan losses. Otherwise, there are no differences between the standards for the Group. Transitional effects from IAS 39 to IFRS 9 are reported in the opening balance sheet for 2018 in equity. The first application of IFRS 9 has had no effect on the Group's equity as of January 1, 2018, see note 16 Financial instruments.

Convertible bonds

Convertible debentures that can be converted into shares by the holder utilizing his option to convert the claim to shares, are reported as a composite financial instrument divided into a debt portion and a separate equity component. The fair value of the debt at the time of issue is calculated by discounting the future payment flows with the current market interest rate for a similar debt, without the right to conversion. The value of the equity instrument is calculated as the difference between the issue proceeds when the convertible debenture was issued and the fair value of the financial liability at the time of issue.

The convertible debentures were redeemed in their entirety in 2017. SBB has made the assessment that the interest rates on the convertible loan of 7 percent correspond to the interest that the Group would have had to pay for a loan without a conversion right, but otherwise the same terms as the convertible loan in the form of a share loan, whereby the entire loan amount has been assigned to the loan part. Thus, transaction costs attributable to the convertible debt instrument in their entirety have been attributed to the liability. Interest expense is recognized in profit for the year and is calculated using the effective interest method.

Hybrid bond

Bonds are classified as debt or equity based on whether there is any contractual obligation to settle the agreement by paying cash or another financial asset. This assessment applies to both nominal amount and interest payments. At the first reporting stage, the assessment has been made that the hybrid bond should be classified as an equity instrument and not as a liability. Interest on the hybrid bond is reported directly against equity.

Deferred tax

Deferred tax is reported on the difference between the carrying amount of assets and liabilities in the financial statements and the tax value used in calculating taxable profit. Deferred tax is reported in accordance with the so-called balance sheet method. 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 first accounting of assets and liabilities that constitute an asset acquisition, deferred tax is not reported. Deferred tax is calculated according to statutory tax rates that have been decided or announced on the balance sheet date and which are expected to apply when the deferred tax asset in question is realized or the deferred tax liability.

Cash Flow

The cash flow statement is prepared in accordance with the indirect method in accordance with IAS 7. This means that the result is adjusted with transactions that did not involve incoming or outgoing payments and for income and expenses attributable to the investment and/or financing activities.

Note 2 Information on new and future standards

New standards

IFRS 9 Financial instruments

The Group has applied IFRS 9 Financial Instruments since January 1, 2018. The new standard replaces IAS 39 Financial instruments: Accounting and valuation. The new standard contains rules for the classification and valuation of financial assets and liabilities, impairment of financial instruments and hedge accounting. SBB has identified an effect on the transition to IFRS 9, which is linked to hedge accounting. SBB has identified the possibility of hedge accounting for foreign currency loans in NOK against net investments in Norway and in Euro against net investments in Finland. The principles contained in the standard for provisions for credit losses have no major effect, since accounts receivable only exist to a limited extent.

IFRS 15 Revenue from contracts with customers

Since January 1, 2018, the Group applies IFRS 15 Revenue, which replaces all previously issued standards and interpretations that handle revenue from customer contracts. Based on the leases that the Group has and its design, SBB 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. Since the Group's revenues essentially comprise rental income that falls outside this standard, the transition has a limited effect on SBB's accounts.

Upcoming standards

IFRS 16 Leases

This standard came into force on January 1, 2019, and then replaced IAS 17 Leases and related interpretations. It requires that lessees report assets and liabilities attributable to all leases, with the exception of contracts that are shorter than 12 months and/or pertain to small amounts. Accounting for lessors will in all essentials be unchanged. In 2018, SBB conducted an analysis of what effects the new standard is expected to have on the Group's financial position. During the analysis work, the following significant lease agreements have been identified; land lease agreements and leasing agreements for vehicles and premises. The significant leasing agreements are reported on the transition to IFRS 16 as of 1 January 2019 as a lease asset or a leasing liability in the balance sheet. The lease asset/liability is estimated at SEK 93 million. The income statement will be affected by the fact that land lease payments are reported as an interest expense instead of an operating cost. SBB applies the standard from January 1, 2019 without retroactive conversion.

Note 3 Significant estimates and assessments

When preparing the financial reports, the executive management and the Board must make certain assessments and assumptions that affect the reported value of asset and liability items and income and expense items as well as information provided in other respects. The assessments are based on experiences and assumptions that the 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 important in the preparation of the company's financial reports are described below.

The accounting is particularly sensitive to the assessments and assumptions that lie in the valuation of investment properties. Investment properties are reported at fair value, which is determined by the executive management based on market assessment. Significant assessments have thus been made regarding, among other things, cost of capital and direct yield requirements as based on the valuers' experience-based assessments of the market's return requirements for comparable properties. Cash flow estimates for operating, maintenance and administration costs are based on actual costs, but also experiences with comparable properties. Future investments have been assessed on the basis of the actual need that exists. 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. In real estate transactions, an assessment is also made of when the transition of risks and benefits takes place. This assessment is indicative of when the transaction is to be reported.

Another assessment issue in the report concerns the valuation of deferred tax. With consideration of the accounting rules, deferred tax is reported nominally without discounting. Current tax has been calculated based on a nominal tax rate of 22 per cent in Sweden, 23 per cent in Norway and 20 per cent in Finland. Calculations of deferred tax in Norway and Finland have been made based on the same nominal tax rate as for current tax. For Sweden, deferred tax is estimated from mid-year with a nominal tax of 20.6 per cent on differences between reported and taxable value of assets and liabilities. The actual tax is deemed to be lower partly because of the possibility of selling properties in a tax-efficient manner and partly because of the time factor. When assessing loss carryforwards, an assessment is made of the possibility of utilizing the deficits against future profits.

SBB has issued hybrid bonds of SEK 1.9 billion. The hybrid bond has an eternal maturity with a variable coupon rate. SBB has the opportunity to redeem outstanding hybrid bonds as of first possible redemption day, which is 5.5 years after the issue date. At initial recognition, the assessment has been made that the hybrid bond should be classified as an equity instrument and not as a financial liability. The assessment that underlies the classification is that there is no explicit contractual obligation to regulate the agreement by paying cash or another financial asset. Nor are there any other circumstances that indicate that the agreement will be settled in cash or other financial asset. SBB has the right to postpone payments on interest for an indefinite period, in

so far as hybrid bond holders are notified within the agreed time and the hybrid bond is subordinated to all other creditors.

Note 4 Operating segments

For accounting and evaluation, the Group has divided its operations into three segments. The segments are Residential, Social infra structure and Other properties. The segments reflect the different nature of the businesses and the reporting that the management requires in order to follow up and analyze the operations and make strategic decisions.

Below is a description of each segment:

- Residential properties consist primarily of apartments in apartment buildings but also includes townhouses.
- Social infra structure properties consist of schools, retirement homes, LSS housing and properties where municipal and governmental agencies/authorities conduct their business.
- Other properties primarily consist of commercial properties for which the intention is to conduct a detailed planning process to develop the properties.

Financial year Jan, 1 2018 to Dec, 31 2018	Residential properties	Social infra structure properties	Other properties	Total Segments	Group items and adjustments	Group total
Rental income	565 074	982 464	132 838	1 680 376		1 680 376
Property costs	-294 283	-238 696	-76 613	-609 593		-609 593
Net operating income	270 791	743 768	56 225	1 070 783		1 070 783
Central administration					-101 599	-101 599
Profit from associated companies / JVs					12 940	12 940
Profit before financial items						982 124
Interest income and related items					4 211	4 211
Interest expenses and related items					-664 920	-664 920
Profit from property management						321 415
Changes in value of property	833 829	680 656	60 295	1 574 780		1 574 780
Changes in value of derivatives					7 522	7 522
Profit before tax						1 903 717
Tax					-213 759	-213 759
NET PROFIT FOR THE YEAR						1 689 958
Investment properties	6 720 330	16 434 582	2 087 626	25 242 538		25 242 538
Investments	159 326	111 885	39 653	310 864		310 864

Financial year Jan, 1 2017 to Dec, 31 2017	Residential properties	Social infra structure properties	Other properties	Total Segments	Group items and adjustments	Group total
Rental income	473 888	740 903	123 887	1 338 677		1 338 677
Property costs	-241 150	-158 122	-62 201	-461 472		-461 472
Net operating income	232 738	582 781	61 686	877 205		877 205
Central administration					-75 838	-75 838
Profit from associated companies / JVs						-
Profit before financial items						801 367
Interest income and related items					12 282	12 282
Interest expenses and related items					-476 067	-476 067
Profit from property management						337 582
Changes in value of property	698 477	1 540 608	557 759	2 796 844		2 796 844
Changes in value of derivatives					-3 748	-3 748
Profit before tax						3 130 678
Tax					-701 696	-701 696
NET PROFIT FOR THE YEAR						2 428 982
Investment properties	5 858 913	14 582 853	2 558 960	23 000 726		23 000 726
Investments	80 016	87 238	41 358	208 612		208 612

Sweden accounts for 77 percent (79) of the Group's total revenue. The remainder of the revenue relates to Norway and Finland. Of non-current assets (which are not financial instruments or deferred tax assets), 70 per cent (68) are allocated to Sweden and remainder relates to fixed assets in Norway. One tenant makes up more than 10% of the revenue; DNB Bank ASA, accounts for about 11% of revenues and is included in the community service property segment.

Note 5 Contracted future rental income

Total rental income for the Group amounted to SEK 1,680 million. All leases are classified as operating leases. The maturity structure for the lease contracts relating to non-cancellable operating leases is shown in the table below. Residential and car rental contracts, which usually run on a three-months notice, are not included in the table.

Contracted future rental income	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Contracted rental income within 1 year	1 100 871	976 163
Contracted rental income between 1 and 5 years	3 212 536	3 117 498
Contracted rental income later than 5 years	2 461 030	2 061 272
Total	6 774 437	6 154 932

Note 6 Costs by type

	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Property costs	609 593	461 472
Other external expenses	32 073	40 131
Depreciation	1 393	2 650
Personnel costs	68 133	33 057
Total	711 192	537 310

Note 7 Fees to the auditor

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Ernst & Young AB, Ernst & Young AS, Ernst & Young Oy		
Audit fees	7 373	5 803
Other audit costs	952	1 024
Tax advice	210	-
Other services	2 896	-
Total	11 431	6 827

Note 8 Employees and staff costs

	01-01-2018 – 31-12-2018		01-01-2017 – 31-12-2017	
	Average number of employees	Of which men, percent %	Average number of employees	Of which men, percent %
The average number of employees				
Subsidiaries in Sweden	88	74 %	30	63 %
Total subsidiaries	88	74 %	30	63 %
Parent company	11	73 %	7	71 %
Total in the Group	99	73 %	37	65 %
Gender distribution, board and management	2018-12-31		2017-12-31	
	Balance sheet date	Of which men, percent %	Balance sheet date	Of which men, percent %
Board members	6	67 %	7	29 %
CEO and other senior executives	7	71 %	6	33 %
Total in the Group	13	69 %	13	31 %
Personnel costs	01-01-2018		01-01-2017	
	- 31-12-2018		- 31-12-2017	
Parent company				
<i>Board of Directors and other senior executives</i>				
Salaries and other remuneration		10 073		7 832
Social costs		3 244		3 024
Pension costs		3 150		1 452
Total		16 467		12 308
<i>Other employees</i>				
Salaries and other remuneration		5 350		995
Social costs		1 766		388
Pension costs		769		92
Total		7 884		1 475
Subsidiary				
<i>Board of Directors and other senior executives</i>				
Salaries and other remuneration		-		1 177
Social costs		-		471
Pension costs		-		864
Total				2 512
<i>Other staff costs</i>				
Salaries and other remuneration		35 740		12 420
Social costs		11 833		3 959
Pension costs		2 572		766
Total		50 145		17 145
Total staff costs		74 497		33 439

In the report, certain personnel costs have been reclassified to operating expenses and capitalized in projects when the rules have been applied. For this reason, the personnel costs in this note will not correspond to the cost category in Note 6.

01-01-2018 – 31-12-2018	Remuneration and fees	Variable compensation	Pension cost	Other remuneration	Total
Chairman of the Board					
Lennart Schuss	480	-	-	-	480
Board members					
Sven-Olof Johansson	300	-	-	-	300
Hans Runesten	300	-	-	-	300
Fredrik Svensson	300	-	-	-	300
Eva Swartz Grimaldi	330	-	-	-	330
Anne-Grete Strøm-Erichsen	441	-	-	-	441
CEO					
Ilja Batljan	3 211	-	928	-	4 139
Other senior executives (6)	6 862	-	1 607	-	8 468
Total	12 223	-	2 535	-	14 758

01-01-2017 – 31-12-2017	Remuneration and fees	Variable compensation	Pension cost	Other remuneration	Total
Chairman of the Board					
Lennart Schuss	480	-	-	-	480
Board members					
Sven-Olof Johansson	300	-	-	-	300
Hans Runesten	304	-	-	-	304
Seth Lieberman	330	-	-	-	330
Eva Swartz Grimaldi	330	-	-	-	330
Anne-Grete Strøm-Erichsen	-	-	-	-	-
Fredrik Råsberg	-	-	-	-	-
Göran Cöster	-	-	-	-	-
Göran E Larsson	6	-	-	-	6
Erik Nerpin	2	-	-	-	2
CEO					
Ilja Batljan	2 917	-	1 155	-	4 072
Other senior executives (4)	4 340	-	1 161	-	5 501
Total	9 009	-	2 316	-	11 325

Remuneration and terms for senior executives

Remuneration to the CEO and other senior executives consists of basic salary and pension benefits. Other senior executives mean those persons who together with the CEO constitute the management.

The CEO has a termination period of 6 months if the termination is from the company and if the CEO chooses to terminate his employment, the notice period is also 6 months. In the event of termination by the employer, a severance pay of 12 months' salary is payable. The pension benefit for the CEO is 30 per cent of the pensionable salary.

Note 9 Financial income

	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Assets valued at amortized cost		
Interest income from other financial assets	3 820	3 276
Interest income from accounts receivable	220	-
Exchange rate differences, financial items (*)	-	9 006
Other	171	-
Total interest income based on the effective interest method	4 211	12 282

(*) Not calculated according to the effective interest method

Note 10 Financial expenses

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Liabilities at fair value		
Interest expense, interest rate derivatives	3 901	-
Total reported in profit (financial items)	3 901	-
	2018-01-01	2017-01-01
Liabilities valued at amortized cost	- 2018-12-31	- 2017-12-31
Interest expense, shareholders' loans	3 125	6 047
Interest expenses, convertible bonds	-	3 952
Depreciation of arrangement fees	69 718	40 161
Premium, repurchased bonds	97 573	-
Interest expenses, other financial liabilities	490 603	425 768
Exchange rate differences, financial items (*)	-	140
Total interest expenses based on effective interest method	661 019	476 067

(*) Not calculated according to the effective interest method

During the year, SEK 19,242,000 (12,282,000) of interest payments were capitalized for investments in the property portfolio, where an interest rate of 5.0% (5.0) was used.

Note 11 Tax

SBB reports tax expenses in the form of current tax and deferred tax, calculated on the basis of current tax rate of 22 percent in Sweden with the exception of deferred tax which is calculated on the basis of the new tax rate of 20.6 percent, 23 percent in Norway and 20 percent in Finland.

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Current tax	-1 459	-39 725
Change in deferred tax relating to temporary differences	-212 300	-661 972
Reported tax	-213 759	-701 696

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Reconciliation of effective tax rate		
Profit before tax	1 903 717	3 130 678
Tax according to the applicable tax rate for the parent company (22%)	-418 818	-688 749
Tax effect of:		
Other tax rates within the Group	4 256	-8 578
Tax attributable to previous years	12 070	339
Change of tax rate	42 075	5 895
Non-taxable income from the sale of shares in subsidiaries	20 582	27 672
Other non-taxable income	10 375	19 355
Unrecognized income to be recorded	-	-20
Non-deductible costs	-1 450	-8 897
Unrecognized income to be deducted	-	6 550
Utilization of previously unused loss carryforwards	7 191	4 583
Tax depreciation	-	-3 484
Temporary differences regarding properties	109 960	-56 362
Reported tax	-213 759	-701 696
Effective tax rate	-11 %	-22 %

The Group has no tax items that are reported in other comprehensive income. All loss carryforwards have been taken into account in the calculation of deferred tax.

Information on deferred tax assets and tax liabilities

The following table details the tax effect of the temporary differences:

Deferred tax	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Deferred tax property	-1 129 298	-913 996
Deferred tax untaxed reserves	-13 277	-18 079
Deferred tax loss carryforwards	101 365	75 688
Deferred tax derivatives	-725	835
Deferred tax other	-4 979	-7 553
Reported value	-1 046 914	-863 105

Note 12 Goodwill

Goodwill	31-12-2018	31-12-2017
Carrying amount at beginning of year	-	-
Acquisitions	23 679	-
Carrying amount at end of year	23 679	-

SBB acquired the company Samhällsbyggnadsbolaget Förvaltning i Sverige AB (formerly Hestia Sambygg AB) and its subsidiary SBB Förvaltning AS (formerly Hestia Sambygg AS) with 70 employees. The company has only performed services for SBB. The goodwill item that arose during the acquisition is linked to a functioning business in the form of employees and their competence.

Impairment testing has been made based on the calculation of the value in use of cash-generating units. Cash-generating units consist of employees and their expertise in Samhällsbyggnadsbolaget Förvaltning Sverige AB incl. subsidiary. The estimated value in use exceeds the carrying amount.

Note 13 Investment properties

The Group divides its property portfolio into three different categories; residential, social infra structure properties and other properties.

The value of the property portfolio has been based on external valuations made by Newsec, JLL and Savills. The valuations have been based on an analysis of future cash flows for each property, taking into account the current lease terms, market situation, rental levels, operating, maintenance and administration costs as well as need for investments. The yield requirements used in the valuation are in the range of 2.35 per cent to 8.5 per cent with an average value of 5.22 per cent. The value of the properties includes approximately SEK 1,331 million for building rights that have been valued by applying the local price method, which means that the assessment of the value is based on comparisons of prices for similar building rights. Fair value has thus been assessed in accordance with IFRS 13 level 3. For a description of levels in the real value hierarchy, see Note 16 Financial instruments.

Fair value	31-12-2018	31-12-2017
Carrying amount at beginning of year	23 000 726	7 572 420
Acquisition	3 597 027	13 469 965
investments	310 864	208 612
Divestments	-3 359 343	-729 984
Unrealized changes in value	1 516 607	2 790 193
Currency translation difference	176 657	-310 480
Carrying amount at end of year	25 242 538	23 000 726

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Changes in value		
Unrealized value changes	1 516 607	2 790 193
Realized value changes	58 173	6 651
Total	1 574 780	2 796 844

The unrealized changes in the value of investment properties held as of the balance sheet date are reported in the income statement under "Changes in value of investment properties". They were part of the value creation of building rights of SEK 177m (749). Changes in value of acquisitions during the year amounted to SEK 519 million (1,223). The remainder is explained by the increase in net operating income as a result of investments and leases in the property portfolio and reduced yield requirements.

Sensitivity analysis

The property valuations are made according to accepted principles based on certain assumptions. The table below shows how the value is affected by a change in certain parameters assumed for the valuation. The table gives a simplified picture, as an individual parameter is unlikely to change in isolation.

	31-12-2018			31-12-2017
	Change	Value effect SEKm	Change	Value effect SEKm
Rental value	+/- 5 %	1 181/-1 181	+/- 5 %	991/-992
Discount rate	+/- 0,25 %	-314/323r	+/- 0,25 %	-651/717
Yield	+/- 0,25 %	-756/786	+/- 0,25 %	-917/833

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Rental income from investment properties	1 680 376	1 338 677
Direct costs for investment properties that generated rental income during the period	-609 593	-461 472
Profit from investment properties valued at fair value	1 070 783	877 205

Note 14 Equipment, machinery and installations

Equipment	31-12-2018	31-12-2017
Accumulated acquisition costs: opening balance	27 532	16 960
Acquisitions for the year	1 511	11 071
Sales and disposals	-10 642	-499
Reclassifications	-7 595	-
Closing balance	10 806	27 532
Accumulated depreciations: opening balance	-17 156	-10 592
Sales and disposals	4 991	152
Accumulated depreciation on acquisitions	-107	-3 934
This year's depreciations	-1 345	-2 783
Reclassifications	7 318	-
Closing balance	-6 299	-17 156
Carrying amount at end of year	4 507	10 376

Note 15 Shares in associates/joint ventures/other companies

	31-12-2018	31-12-2017
Opening balance	110 691	83 216
Dividend	12 940	-
Acquisitions for the year	175	27 233
Shareholder contributions	104 258	500
Sales / disposals for the year	-14 645	-
Translation difference	-244	-258
Carrying amount at end of year, share of capital	213 175	110 691

Holdings	Classification	Main activity	Ownership 31-12-2018	Ownership 31-12-2017	Book value 31-12-2018	Book value 31-12-2017
BCAC-Hus Förv. AB	Associated	Property development	10 %	10 %	3 869	4 005
Fjällbergsvind Ek För	Other	Wind power	e/t	e/t	1 186	1 186
HusBacc Utv Hold AB	Joint venture	Property development	50 %	50 %	78 511	78 525
HanVäst Utv AB	Joint venture	Property development	50 %	50 %	21	25
Jordbro Centrum Utv AB	Joint venture	Property development	50 %	50 %	24	25
Nöthagen Utv AB	Joint venture	Property development	50 %	50 %	25	25
SP Tidningshuset N AB	Joint venture	Own, manage, develop properties	-	50 %	-	9 445
SBB Härstorp AB	Joint venture	Own, manage, develop properties	-	50 %	-	5 200
Tillbringaren 2 H AB	Joint venture	Own, manage, develop properties	49 %	49 %	9 717	25
Slaggborn Utv AB	Joint venture	Property development	50 %	50 %	27 895	25
Fastighetsutv IB 68 AB	Joint venture	Own, manage, develop properties	50 %	50 %	174	25
Klarsam Fast Utv AB	Associated	Property development	40 %	-	7 798	-
Cronsjö Fast Utv AB	Associated	Property development	30 %	-	726	-
Varpslagg Fast Utv AB	Associated	Property development	40 %	-	1 819	-
Gullbern Fast Utv AB	Associated	Property development	40 %	-	1 206	-
Fastighetsutv IB 85 AB	Joint venture	Property development	50 %	-	25	-
Studentbostäder i Sv AB	Associated	Own, manage, develop properties	23 %	-	64 063	-
Klarabo Förv AB	Associated	Own, manage, develop properties	49 %	-	4 135	-
Valerum Fast AB	Joint venture	Own, manage, develop properties	50 %	-	25	-
Bryggkaffe Fast Utv AB	Joint venture	Property development	50 %	-	20	-
Barcode Kjøling AS	Associated	Community association	26 %	26 %	11 911	12 155
Landsbygdsfib. i Sk AB	Other	Broadband	3 %	3 %	6	6
Svenneby Fiberf. EK	Other	Broadband	e/t	e/t	19	19
					213 175	110 691

Information on significant holdings

Holdings in joint ventures and associated companies that are considered significant for the Group are detailed below.

Valerum Fastighets AB	31-12-2018	31-12-2017
Fixed assets	1 542 018	-
Cash and cash equivalents	7 210	-
Other current assets	100 421	-
Long-term financial liabilities	-329 024	-
Acquisitions for the year	-1 277 722	-
Short-term financial liabilities	-11 700	-
Other current liabilities	-31 153	-
Net Assets	50	-

Net sales	-	-
Depreciation	-	-
Interest income	-	-
Interest expense	-	-
Other financial items	-	-
Tax	-	-
Net profit for the year	-	-
Other comprehensive income	-	-
Total income for the year	-	-

Reconciliation of reported values		
Initial net assets	-	-
Acquisitions for the year	50	-
Net profit for the year	-	-
Total income for the year	-	-
Carrying forward net asset	50	-

The Group's share in %	50 %	-
The Group's share in SEK thousand	25	-
Adjustment at fair value	-	-
Reported value	25	-

KlaraBo Förvaltning AB	31-12-2018	31-12-2017
Fixed assets	1 978 358	-
Cash and cash equivalents	250	-
Other current assets	2 637	-
Long-term financial liabilities	-636 474	-
Acquisitions for the year	-1 289 352	-
Short-term financial liabilities	-22 750	-
Other current liabilities	-24 231	-
Net Assets	8 438	-

Net sales	-	-
depreciation	-	-
Interest income	-	-
Interest expense	-	-
Other financial items	-	-
Value change property	10 564	-
Tax	- 2 176	-
Net profit for the year	8 388	-
Other comprehensive income	-	-
Total income for the year	8 388	-

Reconciliation of reported values		
Initial net assets	-	-
Acquisitions for the year	50	-
Net profit for the year	8 388	-
Total income for the year	8 438	-

The Group's share in %	49 %	-
The Group's share in SEK thousand	4 135	-
Adjustment at fair value	-	-
Reported value	4 135	-

Information for individual non-significant holdings	31-12-2018	31-12-2017
Total reported value for individual non-significant associates / joint ventures	209 015	110 691
Total amount for the group's share of:		
Results from continuing operations	8 830	-
Profit after tax from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	8 830	-

Note 16 Financial instruments

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. The Group's financial assets and liabilities for the comparative year 2017 are presented in accordance with IAS 39 classification categories.

The first application of IFRS 9 had no effect on the Group's equity as of January 1, 2018. Nor has the transition to IFRS 9 caused any changes in valuation of financial instruments other than the designation of the classification categories: loan receivables, accounts receivable and other financial liabilities under IAS 39 are classified and valued under IFRS 9 at amortized cost. Financial assets and liabilities measured at fair value through the income statement in the previous year continue under IFRS 9 to be classified and valued at fair value through profit or loss. The Group has not identified any financial assets that are valued at fair value through other comprehensive income.

The effect of the first application of expected loan losses has been of insignificant nature for the Group. For this reason, no additional provision has been made at the transition, so the carrying amounts of assets reported at amortized cost are unaffected.

Valuation of financial assets and liabilities as of December 31, 2018

Financial assets SEK, thousands	Financial assets/ liabilities measured at fair value through profit or loss	Financial assets/ liabilities valued at amortized cost	Total reported value	Real value
Receivables from associated companies/joint ventures		1 574 245	1 574 245	1 574 245
Long-term receivables	62 312	11 160	73 472	73 472
Accounts receivables		30 337	30 337	30 337
Other current receivables		290 043	290 043	290 043
Cash and cash equivalents		156 629	156 629	156 629
Total	62 312	2 062 414	2 124 726	2 124 726
Financial liabilities				
Liabilities to credit institutions		5 909 219	5 909 219	5 909 219
Bonds		6 925 267	6 925 267	6 925 267
Other long-term liabilities		25 423	25 423	25 423
Derivative	11 532		11 532	11 532
Accounts payable		87 901	87 901	87 901
Other current liabilities		279 159	279 159	279 159
Total	11 532	13 226 969	13 238 501	13 238 501

Valuation of financial assets and liabilities at 31 December 2017

Financial assets SEK, thousands	Financial assets / liabilities measured at fair value through profit or loss	Credit receivables and accounts receivable	Other financial liabilities	Total reported value	Real value
Long-term receivables		10 554		10 554	10 554
Accounts receivable		26 271		26 271	26 271
Other current receivables		277 898		277 898	277 898
Cash and cash equivalents		92 749		92 749	92 749
Total	-	407 472	-	407 472	407 472
Financial liabilities					
Liabilities to credit institutions			7 232 744	7 232 744	7 232 744
Bonds			6 601 346	6 601 346	6 601 346
Other long-term liabilities			13 750	13 750	13 750
Shareholders' loans			73 600	73 600	73 600
Derivative	35 247			35 247	35 247
Accounts payable			134 826	134 826	134 826
Other current liabilities			653 810	653 810	653 810
Total	35 247	-	14 710 076	14 745 323	14 745 323

The assets and liabilities, with the exception of financial assets / liabilities, are measured at fair value through profit or loss recognized at amortized cost, which is deemed to correspond to its fair value.

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.

Valuation at fair value

Fair value is the price that would be obtained from the sale of an asset at valuation date or paid on the transfer of a debt through an orderly transaction between independent market participants. The table below shows

financial instruments valued at fair value based on the classification of the fair value hierarchy. The different levels are defined as follows:

Level 1 - Listed prices (unjustified) in active markets for identical assets or liabilities

Level 2 - Other available input data for the asset or liability other than listed prices included in level 1 either directly (i.e. as price quotes) or indirectly (i.e. derived from price quotes)

Level 3 - Input for the asset or liability that is not based on available market data

The financial assets and liabilities are assessed according to level 3.

Change for the derivatives in level 2 is presented below.

	31-12-2018	31-12-2017
Carrying amount at beginning of year	35 247	-
New acquisitions	-	31 615
Disposals	-16 503	-
Value changes in earnings	-7 522	3 748
Translation difference	311	-116
Carrying amount at end of year	11 532	35 247

Calculation of fair value

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 capital and interest discounted at current market interest rates. These items refer to level 2 of the valuation hierarchy. The company has estimated that the fair value corresponds to the carrying amount when the interest rate corresponds to current market interest rate and that the credit margin is estimated to be the same as when the loans were entered.

Interest rate derivatives

The fair value of interest rate swaps are based on a discount of estimated future cash flows according to the contracts and maturities and based on market interest rate on the balance sheet date. The interest rate swaps relate to level 2 in the valuation hierarchy.

Current receivables and liabilities

For current receivables and liabilities, such as accounts receivable and accounts payable, with a life expectancy of less than six months, the carrying amount is considered to reflect fair value. Any classification in levels according to the valuation hierarchy is not made for these items.

Note 17 Other receivables

	31-12-2018	31-12-2017
Advance property transactions	234 620	26 000
Other	55 423	251 898
Reported value	290 043	277 898

Note 18 Prepaid expenses and accrued income

	31-12-2018	31-12-2017
Accrued income	4 150	8 284
Prepaid acquisition costs	-	5 464
Other	28 165	25 724
Reported value	32 315	39 472

Note 19 Cash and cash equivalents

	31-12-2018	31-12-2017
Cash and bank balances	156 629	92 749
Reported value	156 629	92 749

Note 20 Shareholders' equity

	Number of ordinary shares Class A	Number of ordinary shares Class B	Number of ordinary shares Class B	Number of preference shares	Share capital
Shareholders' equity 01-01-2017	-	7 230 434	-	-	723 043
Non cash/set off issue 16-01-2017	154 736 229	179 723 539			33 445 977
Non cash/set off issue 22-02-2017	62 860 746	219 133 832		103 500	28 209 808
Non cash/set off issue 22-03-2017		84 929 772			8 492 977
Non cash/set off issue 27-04-2017		26 666 667			2 666 667
Non cash/set off issue 04-08-2017		2 523 472		157 108	268 058
Non cash/set off issue 18-08-2017		144 340		38 562	18 290
Non cash/set off issue 15-12-2017				34 035	3 404
Shareholders' equity 31-12-2017	217 596 975	520 352 056	-	333 205	73 828 224

	Number of ordinary shares Class A	Number of ordinary shares Class B	Number of ordinary shares Class B	Number of preference shares	Share capital
Shareholders' equity 01-01-2018	217 596 975	520 352 056	-	333 205	73 828 224
Conversion 21-08-2018	-7 619 484	7 619 484			-
Non cash/set off issue 19-10-2018		600 000			60 000
New issue 19-10-2018		17 500 000			1 750 000
Redemption pref. sh. 12-12-2018				-157 954	-15 795
Non cash/set off issue 12-12-2018		3 159 080			315 908
Non cash/set off issue 14-12-2018		6 376 342			637 634
Non cash/set off issue 21-12-2018		8 134 515			813 452
Non cash/set off issue 27-12-2018		13 746 775			1 374 678
Non cash/set off issue 28-12-2018		10 209 678			1 020 968
Shareholders' equity 31-12-2018	209 977 491	546 071 540	41 626 390	175 251	79 785 067

Share capital

On December 31, 2018, the share capital amounted to SEK 79,785,067 and the quota value was SEK 0.1, divided into 209,977,491 ordinary shares of class A, 546,071,540 ordinary shares of class B, 41,626,390 ordinary shares of class D and 175,251 preference shares. The largest shareholder is Ilija Batljan, who directly and indirectly holds 13.8% of the shares and 40.6% of the votes. Holders of ordinary shares of class A and B are eligible for dividends as determined and the shareholding entitles the right to vote at the annual general meeting with one vote per share for ordinary share class A and 0.1 per share for ordinary share class B. Holders of the ordinary shares of class D are entitled to five times the total dividend on the ordinary shares of class A and B, however no more than SEK 2 per share and year. The shareholding entitles 0.1 votes per share for ordinary shares of series D. All ordinary shares have the same right to the Samhällsbyggnadsbolaget in the Nordic region's remaining net assets. All shares are fully paid and no shares are reserved for transfer. No shares are held by the company itself or its subsidiaries.

Preference shares

Preference shares are available on three levels in the SBB Group; in the parent company, in the subsidiary Karlbergsvägen 77 Fastighets AB (publ) and in the subsidiary Nye Barcode 121 Bidco AS. The parent company's preference share is entitled to one tenth (1/10) vote. If the Annual General Meeting decides on a dividend, SBB's preference share has preferential rights over the ordinary shares to an annual dividend of SEK 35 per preference share. For further description of the terms, see page 71.

Other contributed capital

Other contributed capital consists of capital contribution by the Samhällsbyggnadsbolaget to the owners of Norden AB (publ) in the form of shareholder contributions and issued common shares as well as preference shares.

Hybrid bond

SBB has issued hybrid bonds amounting to SEK 1.9 billion. The hybrid bond has a perpetual maturity with a variable coupon rate. SBB has the opportunity to redeem outstanding hybrid bonds as of first possible redemption day, which is 5.5 years from the issue date. At the first reporting date, the assessment was made that the hybrid bond should be classified as an equity instrument and not as a financial liability. The assessment underlying the classification is that there is no explicit contractual obligation to settle the agreement by paying cash or another financial asset. Nor are there any other circumstances indicating that the agreement will be settled in cash or other financial asset. The SBB is entitled to postpone interest payments for an indefinite period in so far as hybrid bond holders are notified within the agreed period and the hybrid bond is subordinated to all other creditors.

Currency translation reserve

The translation reserve includes all exchange rate differences arising from translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial reports are presented. The parent company and the Group present their financial reports in Swedish kronor. Accumulated translation differences are recognized in profit or loss on the sale of the foreign operations.

Translation reserve	31-12-2018	31-12-2017
Carrying amount at beginning of year	-102 986	-8 898
Change for the year	-4 584	-94 088
Carrying amount at end of year	-107 570	-102 986

Warrants

The warrant program is aimed at the company's current and future employees. The program comprises of 20,000,000 warrants entitling the holder to subscribe for the corresponding number of B shares in the company. As of December 31, 2018, 16,407,000 warrants were subscribed by the company's employees. The warrants were acquired at market value. The subscription price for new subscription of B shares corresponds to 130 percent of the average of the company's B-shares' volume-weighted latest price during the 10 trading days October 24, 2017 through November 6, 2017. Subscription of B shares on the basis of warrants may take place in the period from on 1 October 2020 until 31 October 2020.

Note 21 Earnings per share

Below is a calculation of the earnings for ordinary shares of class A and B. According to the articles of association, the preference shares have preferential rights to SEK 35/share and the ordinary shares of class D carry a maximum dividend of SEK 2/share. In addition, interest is paid on hybrid loans. The calculation of earnings per ordinary share class A and B is based on the profit for the year less deductions for preference shares and ordinary shares of class D and interest on hybrid loans. The net is divided between the average number of ordinary shares of class A and B totalling to 741,569,031 (653,360,953).

Earnings per share before dilution	2018	2017
Net profit for the year	1 689 958	2 428 982
Dividend attributable to preference shareholders	-47 287	-64 290
Dividend attributable to holders of ordinary shares of class D	-20 813	-
Dividend attributable to hybrid loans	-86 405	-12 658
Profit for the year attributable to ordinary shares A and B	1 535 453	2 352 034
Average number of outstanding ordinary shares of class A + B	741 569 031	653 360 953
Earnings per share before dilution	2.07	3.60
Average number of outstanding ordinary shares of class D	918 854	-
Earnings per share (ordinary share D has no dilution)	0.50	-
Earnings per share after dilution	2018	2017
Net profit for the year	1 689 958	2 428 982
Dividend attributable to preference shareholders	-47 287	-64 290
Dividend attributable to holders of ordinary shares of class D	-20 813	-
Dividend attributable to hybrid loans	-86 405	-12 658
Profit for the year attributable to ordinary shares A and B	1 535 453	2 352 034
Average number of outstanding ordinary shares of class A + B	741 569 031	653 360 953
Effect of potential ordinary shares on options	2 352 117	-
Earnings per share after dilution	2.06	3.60

When calculating earnings per share after dilution, the weighted average number of ordinary shares outstanding is adjusted for the dilution effect of all potential ordinary shares. These potential ordinary shares are attributable to the warrants subscribed by the company's employees in 2017 and 2018. As of 31 December 2017, the warrants were not dilutive because the exercise price exceeded the average share price for the period.

Of the dividend, SEK 14.3 million (5.8) pertains to dividends relating to preference shares and SEK 20.8 million (-) to dividends relating to ordinary shares of class D and SEK 4.1 million (-) to interest on the hybrid bond that has not been paid yet.

Note 22 Financial risks

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. SBB is primarily exposed to liquidity risk, financing risk, credit risk and interest rate risk.

Financial transactions and risks in the Group are managed centrally by the parent company's finance function. The Group's finance policy for managing financial risks has been designed and decided by the Board. 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.
- Identify and ensure good management of the financial risks arising in SBB.
- Ensure good payment preparedness for meeting SBB's 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

Further information on financing and capital structure can be found on pages 66-69.

Liquidity and financing risk

Liquidity risk refers to the risk that there is insufficient liquidity to meet future payment commitments. Ongoing liquidity forecasts are made to identify need for capital. A liquidity reserve for the business shall at all times be available to ensure SBB's short-term payment ability.

SBB defines financing risk as the risk at any time of not having access to capital, or for refinancing, investment and other payments at an increased cost. This is minimized through having a well-diversified loan maturity structure, different types of borrowings and lenders as well a sufficient liquidity reserves. SBB strives for an even maturity structure and to prepare well ahead for refinancing.

As of December 31, 2018, the average remaining maturity of the loan portfolio was 4.6 years. At the same time, cash and cash equivalents totaled SEK 157 million (93). In addition, the Company held SEK 2,305 million in cash, loan commitments and unutilized credit lines.

The Group's contractual repayments of financial liabilities are shown in the table below. Liabilities are included at earliest repayment period.

Maturity structure	31-12-2018				
	<1 yr	1-3 yr	3-5 yr	>5 yr	Total
Liabilities to credit institutions	119 343	2 221 012	1 849 391	2 056 882	6 246 628
Bonds	562 736	2 445 577	1 973 346	2 979 682	7 961 341
Shareholder loans	1 843 875	-	-	-	1 843 875
Other long-term liabilities	-	23 356	433	1 634	25 423
Derivative liabilities	2 418	4 582	15 788	7 839	30 627
Accounts payable	87 901	-	-	-	87 901
Other current liabilities	279 159	-	-	-	279 159
Total	2 895 432	4 694 527	3 838 958	5 046 037	16 474 954

31-12-2017

Maturity structure	31-12-2017				
	<1 yr	1-3 yr	3-5 yr	>5 yr	Total
Liabilities to credit institutions	736 778	3 342 448	2 313 015	1 162 567	7 554 808
Bonds	845 338	2 183 283	781 492	3 742 946	7 553 059
Shareholder loans	41 000	35 952	-	-	76 952
Other long-term liabilities	-	13 750	-	-	13 750
Derivative liabilities	2 826	4 627	4 792	44 486	56 731
Accounts payable	134 826	-	-	-	134 826
Other current liabilities	653 810	-	-	-	653 810
Total	2 414 578	5 580 060	3 099 299	4 949 999	16 043 936

Credit

Credit risk is defined as the risk that counterparties, both financial and commercial, are not able to fulfill their obligations to SBB 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 fulfill its obligations to SBB. Another credit risk is that SBB's tenants not being able to fulfill their obligations. The Group has established guidelines to ensure that the tenants have a suitable credit background and the credit losses in 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 accounts receivable on the balance sheet date is given below.

	31-12-2018	31-12-2017
Accounts receivable not due	3 429	14 850
Overdue accounts receivable 1-30 days	19 857	3 840
Overdue accounts receivable 31-90 days	2 311	7 510
Overdue accounts receivable > 90 days	14 173	8 634
Carrying amount at the end of year	39 771	34 834

	31-12-2018	31-12-2017
Provisions account receivables		
Carrying amount at the beginning of year	-8 564	-
Provisions	-3 808	-8 609
Recovered, previously provisioned	2 938	45
Carrying amount at the end of year	-9 434	-8 564

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 loan losses are reserved for the remaining maturity, which is expected to be less than one year for all receivables above. Rental income is invoiced in advance, which means that all reported rental receivables have fallen due. 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. SBB writes off a claim when there is no longer any expectation of receiving payment and active measures for receiving payment have been terminated. For 2017, a provision was made for a confirmed credit event according to IAS 39.

The above shows the financial assets for which the Group has reserved expected loan 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. SBB 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.

Reporting in the parent company regarding credit risk

The parent company applies a rating-based method for calculating expected credit losses on intra-group receivables based on the probability of default, expected loss and exposure in the event of default. The parent company has defined default as when payment of the claim is 90 days delayed or more, or if other factors indicate that the payment default is present. The parent company believes that the subsidiaries currently have similar risk profiles and the assessment is done on a collective basis. Significant increase in credit risk has not been considered to exist for any intra-group receivable on the balance sheet date. The parent company's receivables from its subsidiaries are subordinated external lenders' claims for which the subsidiary's properties are pledged as collateral. The parent company applies the general method to the intra-group receivables. The parent company's expected loss in the event of default takes into account the subsidiaries' average loan-to-value ratio (Loan to Value) and the expected market value in the event of a forced sale. Based on the parent company's assessments according to the above method, taking into account other known information and forward-looking factors, expected loan losses are not deemed to be significant and no provision has therefore been reported.

Interest rate risk

Interest rate risk is defined as the risk that the development in the fixed income market will have negative effects on SBB. Interest rate risk affects SBB partly as current interest expenses for loans and derivatives and partly as market value changes on derivatives. Interest rate risk refers primarily to the risk in SBB's current interest expenses. The objective of interest rate risk management is to achieve the desired stability in SBB's total cash flows. Stable cash flows are important partly to promote property investments, partly to meet the requirements and expectations of creditors and other external parties on SBB. Within the framework of the

chosen strategy and permitted deviations, the goal is to achieve the best possible financial cash flow in the long term. The interest rate risk shall be measured on SBB's net debt in combination with derivative instruments.

The interest rate risk strategy shall consist of a balanced combination of variable interest rate and fixed interest rate fixing. When choosing an interest rate risk strategy, account must be taken of how sensitive SBB's total cash flows are to developments in the fixed income market over a multi-year time horizon. The average fixed interest term was 2.6 years at year-end. Below is the interest maturity structure.

Interest maturity structure (nominal amount)

Maturity year	Interest due SEK, thousand	Share %
Variable	4 008 150	27 %
2019	4 964 777	34 %
2020	987 710	7 %
2021	485 837	3 %
2022	280 268	2 %
2023	781 528	5 %
2024	3 238 091	22 %
Total	14 746 361	100 %

Financial commitments

In credit agreements with credit institutions and bond holders there are often established limit values, so-called covenants. In most agreements, they concern solvency, loan-to-value ratio and interest coverage. SBB's own target for equity ratio is over 35%. The credit agreements generally have a limit of 25% as the lower limit. SBB's goal is that the interest coverage ratio should be at least 2.5 times, while the limit in the credit agreements is often 1.5 times. SBB has a goal that the loan-to-value ratio should be no more than 55%. In the credit agreements, the limit is 70-80%. For 2018, the equity ratio was 41% and the loan-to-value ratio was 53%.

Sensitivity analysis

The sensitivity analysis calculations are based on the Group's earning capacity and balance sheet as of December 31, 2018. The sensitivity analysis shows the effect on the Group's annual profit after full impact of each of the parameters. Interest-bearing liabilities and lease contracts run for several years, which means that level changes do not get a full impact during an individual year, but first in a longer perspective.

	Change +/-	Annual effect SEKm
Economic occupancy rate	1 percentage point	+/- 16
Rental income	1 percent	+/- 16
Property expenses	1 percent	+/- 5
SBB's average interest	1 percentage point	+/- 147

Hedging instruments and accounting

As of December 31, 2018, the Group's holdings of foreign currency debt are distributed on the following underlying amounts and maturities.

Hedging instruments identified 31 december 2018

Hedging instrument – accounts adjusted (Amounts SEK 000)	Within 3 m	3 m- 1 y	1 - 3 y	Total
Debt Euro – currency hedge of net investment	122 132	-	-	122 132
Hedged debt, nominal amount (balance sheet value)	122 132	-	-	122 132

Hedge accounting began in 2018. The Group applies hedge accounting in accordance with IFRS 9 regarding loan liabilities and aims to hedge currency risk in net investments in foreign operations. The loans are valued at the exchange rate at the balance sheet date. To the extent that an effective hedging relationship exists, the exchange rate change on the loans is reported in other comprehensive income, and thereby matches exchange rate changes on net investments in the foreign operations. Exchange rate fluctuations for an ineffective portion of a hedging relationship are reported immediately in the income statement.

When the transaction is concluded, the relationship between the hedging instrument and the hedged item is documented, as well as the objective of risk management and the strategy.

Hedges are designed so that they can be effective, that is, it is expected that there will be a financial connection because the hedging instrument counteracts changes in fair value regarding exchange rates in hedged items. The economic relationship is preferably determined by qualitative analysis of critical conditions in the hedging relationship. If changed circumstances affect the hedging relationship so that critical conditions no longer match, the Group uses quantitative methods (the hypothetical derivative method) to evaluate the effectiveness. Sources of hedging inefficiency include the risk that hedged volume in hedging instruments would exceed the net investment. The Group regularly monitors the currency exposure in the net investments, and hedge accounting is applied only to a proportion of total exposure, which is why the risk of inefficiency is deemed to be low.

The Group determines the hedging ratio between hedging instruments and hedged items based on the hedging quotas that exist in the actual hedges. the ratio is 1:1.

Effects of hedge accounting on financial position and earnings - Current hedging relationships SEK, thousands	Hedging instruments identified in hedging relationships on December 31, 2018			Period - change in fair value, for measurement of inefficiency	
	Face value	Book value	Classification in balance sheet	Hedging instrument	Hedged amount
<i>Currency hedge of net investment</i>					
In EUR	-122 132	-122 132	Commercial paper	259	259

The hedging ratio is 1: 1 for all of the Group's hedges.

The Group has not reported any inefficiency during the period.

Effects of hedge accounting on financial position and earnings	2018
Reconciliation of currency translation reserve SEK, thousands	Currency translation reserve
Carrying amount at the beginning of year	-102 986
Additional items during the period	
Currency translation effects from net investments in foreign operations	31 484
Exchange rate revaluation of debt in foreign currency identified as hedging instrument	-36 068
Total additional items, reported in other comprehensive income	-107 570
Carrying amount at the end of year of which continuous hedges	-107 570 -107 570

Note 23 Other liabilities

	31-12-2018	31-12-2017
Deferred stamp duty	-	12 210
Debt acquired properties	231 790	237 259
Promissory notes	-	293 921
Other items	47 369	110 421
Reported value	279 159	653 810

Note 24 Accrued expenses and prepaid income

	31-12-2018	31-12-2017
Accrued personnel costs	7 663	3 091
Accrued operating costs	91 813	61 782
Accrued interest costs	60 202	46 726
Unpaid stamp duty	-	668
Prepaid rents	136 313	129 546
Other items	3 024	28 601
Reported value	299 015	270 413

Note 25 Cash flow statement

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Adjustments for items not included in cash flow		
Depreciations	1 393	2 144
Reported value	1 393	2 144

Note 26 Liabilities relating to financing activities

	01-01-2018	Non-cash flow transactions			31-12-2018
		Cash flow affecting transactions	Debt acquired on acquisitions	Change in foreign currency	
Bonds	6 601 346	203 939		119 982	6 925 267
Liabilities to credit institutions	7 232 744	-1 423 175		99 650	5 909 219
Commercial paper		1 840 417			1 840 417
Liabilities to shareholders	73 600	-73 600			-
Other long-term liabilities	13 750	11 673			25 423
Total liabilities attributable to financing activities	13 921 440	559 254	-	219 632	14 700 326

	01-01-2017	Non-cash flow transactions			31-12-2017
		Cash flow affecting transactions	Debt acquired on acquisitions	Change in foreign currency	
Bonds	1 153 479	2 470 415	3 188 344	-210 892	6 601 346
Liabilities to credit institutions	3 667 451	3 203 151	362 142		7 232 744
Commercial paper	793 954	-720 354			73 600
Liabilities to shareholders	58 764	-45 014			13 750
Total liabilities attributable to financing activities	5 673 648	4 908 198	3 550 486	-210 892	13 921 440

Note 27 Pledged assets

	31-12-2018	31-12-2017
Mortgages Sweden	8 963 839	7 450 317
Mortgages Norway (*)	17 799 275	4 720 128
Shares in group companies	1 790 315	2 056 399
Total	28 553 429	14 226 844

(*) The property mortgages in Norway are collateral for loans totalling SEK 5.8 billion (4.9).

Note 28 Contingent liabilities

The Group has no contingent liabilities.

Note 29 Related party transactions

The Group's transactions with related parties include lending by the company's owners and interest on those loans. The owner loans and convertibles are subordinated and carry a 5% interest paid quarterly. All shareholder loans have been repaid.

In addition, SBB acquired the company Hestia Sambygg AB on March 26, 2018, which was 49 percent previously owned by the principal owner Ilija Batljan Invest AB. The purchase price paid to Ilija Batljan Invest AB was nominal (SEK 1). The company supplied consulting services relating to financial and technical property management. The pricing for the services was based on a market-based square meter price. After the acquisition, these services are conducted in-house.

SBB has an incentive program for the company's current and future employees, which comprises 20,000,000 warrants that entitle the holder to subscribe for the corresponding number of Class B shares in the company. The subscription price for new subscription of B shares corresponds to 130 per cent of the average of the company's B-shares' volume-weighted last price during the 10 trading days from October 24, 2017 through November 6, 2017. Subscription for class B shares on the basis of warrants may take place in the period from October 1, 2020 through October 31, 2020.

For information on remuneration to senior executives, see Note 8 Employees and personnel costs.

Note 30 Events after the balance sheet date

- SBB decided to discontinue the rating from Moody's Investors Service. SBB believes that engagement of two international credit rating agencies is sufficient to meet the company's long-term financial and operational goals.
- In January SBB issued 4,064,516 ordinary shares of class D, through targeted new issues, which provided the company with gross proceeds of SEK 126m.
- A voluntary repurchase offer of outstanding 2018/2019 SEK bonds resulted in bonds with a nominal value of SEK 262 million being repurchased and followed an increase of SEK 224 million in one of SBB's existing bond loans maturing in May 2021.
- After the end of the year, SBB sold a development property in Kristiansand in Norway for NOK 200 million to a JV company with Martin Mæland.
- SBB has invested in an energy project to reduce carbon dioxide emissions by 75 per cent in a residential area with 476 apartments in Motala. This is done through solar cells and reduction of existing energy use through energy recovery measures.
- In February, the municipality of Nykvarn entered into a new 25-year lease agreement with SBB for a refurbish and extention of Nykvarn's townhall. The municipal building will undergo a refurbishment and extension of about 2,000 sqm to a total of 3,900 sq.m.. The building will be used as offices for the municipality's employees, including the municipality's existing library.
- In February, SBB issued its first green unsecured bond and reached another milestone in its sustainability work. The SEK 500 million bond has a maturity of 5 years and Stibor 3m + 3.30 per cent. The issue continues to reduce the company's financial risk profile, and was more than two times oversubscribed.
- In February, SBB also issued a bond of SEK 200 million with a maturity of 5 years and Stibor 3m + 3.25 per cent, as part of further reducing the company's financial risk .
- In February, five new 15-year agreements were signed for LSS housing in Southern Sweden. The LSS dwellings will be built in 2019, three of which will be developed on own development rights .
- In February, Standard & Poor's raised the outlook for SBB to a BB rating with positive outlook.
- In February, a detailed plan for 400 homes and a health and care property in Nykvarn became legally

binding. The planning has been done with the municipality of Nykvarn. Development of the area is starting immediately.

- In February, SBB hired ABG Sundal Collier as liquidity guarantor for the company's D share. The undertaking takes place within the framework of Nasdaq Stockholm AB's rules on liquidity guarantee and the liquidity guarantor quotes binding purchase and sales prices with a maximum of 4 per cent for a volume corresponding to at least SEK 15,000.
- SBB signed an agreement for the acquisition of two property holdings with housing and community service properties of a total of 367 apartments, of which 257 apartments are in Rinkeby / Tensta and 48 apartments in Vallentuna. The deal also includes an LSS property in Täby and two residential properties in Eskilstuna.

INCOME STATEMENT OF PARENT COMPANY

Amount in SEK, thousands	Note	2018	2017
Net sales		-	-
Personnel costs	4	-23 913	-13 486
Other operating expenses	3	-42 847	-29 192
Operating profit		-66 760	-42 678
Financial items			
Profit from shares in group companies	5	6 706	3 062
Interest income and similar items	6	240 008	64 146
Interest expenses and similar items	7	-248 889	-4 908
Profit after financial items		-68 935	19 622
Appropriations	8	73 242	-2 090
Profit before tax		4 307	17 532
Tax	9	884	-3 340
NET PROFIT FOR THE YEAR		5 191	14 192

Amount in SEK, thousands	Note	2018	2017
Net profit for the year		5 191	14 192
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		5 191	14 192

BALANCE SHEET OF PARENT COMPANY

Amount in SEK, thousands	Note	2018	2017
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in group companies	10	3 699 596	3 441 984
Receivables from group companies	11,12	7 948 005	1 600 341
Receivables from associated companies/joint ventures	12	155 844	-
Deferred tax assets	9	884	-
Other long-term receivables	12	63 137	-
Total financial fixed assets		11 867 466	5 042 325
Total fixed assets		11 867 466	5 042 325
Current assets			
Current receivables			
Accounts receivable	12	1 029	183
Other receivables	12	9 917	5 000
Prepaid expenses and accrued income	13	2 107	10 357
Total current receivables		13 053	15 540
Cash and cash equivalents	12,14	5 865	3 372
Total current assets		18 918	18 912
TOTAL ASSETS		11 886 384	5 061 237
EQUITY AND LIABILITIES			
Share capital			
Share capital	15	79 785	73 828
Share premium		7 210 985	4 937 220
Retained earnings		-70 364	8 514
Net profit for the year		5 191	14 192
Total equity		7 225 597	5 033 754
Untaxed reserves	16	2 090	2 090
Long-term liabilities			
Liabilities to credit institutions	12	150 000	-
Bond loans	12	2 460 647	-
Other long-term liabilities	12	87 630	-
Total long-term liabilities		2 698 277	-
Current liabilities			
Commercial papers	12	1 840 417	-
Accounts payable	12	15 767	9 799
Current tax liabilities	9	1 381	1 381
Other liabilities	12	46 260	10 301
Accrued expenses and prepaid income	17	56 595	3 912
Total current liabilities		1 960 420	25 393
TOTAL EQUITY AND LIABILITIES		11 886 384	5 061 237

STATEMENT OF CHANGES IN EQUITY OF PARENT COMPANY

Amount in SEK, thousands				
	Share capital	Share premium	Retained earnings	Total equity
Equity 01-01-2017	723	21 877	3 514	26 114
Share issue	73 105	4 270 799		4 343 904
Issue hybrid bonds		668 387		668 387
Issue warrants			5 000	5 000
Dividend		-23 843		-23 843
Net profit for the year			14 192	14 192
Other comprehensive income			-	-
Equity 31-12-2017	73 828	4 937 220	22 706	5 033 754
 Equity 01-01-2018	 73 828	 4 937 220	 22 706	 5 033 754
Share issue	5 973	1 419 263		1 425 236
Issue costs		-57 621		-57 621
Issue hybrid bonds		1 516 722		1 516 722
Dividend		-190 183		-190 183
Redeemed preference shares	-16	-97 916		-97 932
Repurchased hybrid bonds		-316 500		-316 500
Redeemed warrants			-93 070	-93 070
Net profit for the year			5 191	5 191
Other comprehensive income			-	-
Equity 31-12-2018	79 785	7 210 985	-65 173	7 225 597

COMMENTS ON THE PARENT COMPANY'S RESULTS AND BALANCE SHEET

The parent company's operations consist of group-wide functions such as business development, transactions, property development and financial management. The company has 10 employees. The costs including personnel costs during the period amounted to SEK 66.8 million (42.7).

During the year, SBB issued a hybrid bond loan of SEK 1 billion within the existing SEK 1.5 billion framework. In addition, during the year, share issues have been completed. The number of shares amounted to 797,850,672 and the share capital to SEK 79,785,068.

An adjustment was done in the parent company's financial reports compared to the reports that was published in the company's year-end report on 20-02-2019. The adjustment concerns a received group contribution of SEK 73.2 million, which results in a higher result and also an adjustment of deferred tax.

CASH FLOW STATEMENT OF PARENT COMPANY

Amount in SEK, thousands	Note	2018	2017
Operations			
Profit after financial items		-68 935	19 622
Financial items		8 881	-59 238
Interest paid		-248 889	-4 908
Interest received		240 008	64 146
Income tax paid		-	-3 340
Cash flow from operations before changes in working capital		-68 935	16 282
Cash flow from changes in working capital			
Changes in current receivables		2 487	-12 125
Changes in current liabilities		94 610	18 951
Cash flow from operations		28 162	23 108
Investment activities			
Investments in subsidiaries ¹⁾		-257 612	-3 440 251
Claims incurred by group companies		-6 347 664	-1 580 993
Changes in receivables from associated companies/joint ventures		-155 844	-
Changes of other long-term receivables		-63 137	-
Cash flow from investment activities		-6 824 257	-5 021 244
Financing activities			
Share issue ¹⁾		1 379 615	4 346 708
Issue hybrid bonds		1 504 722	668 387
Repurchased hybrid bonds		-316 500	-
Issue warrants		-	2 099
Redeemed warrants		-93 070	-
Redeemed preference shares		-97 932	-
Group contributions received		73 242	-
Dividends paid		-190 183	-17 643
New loans/amortization of loans		4 538 694	-
Cash flow from financing activities		6 798 588	4 999 551
Cash flow for the period		2 493	1 415
Cash and cash equivalents at the beginning of year		3 372	1 957
Cash and cash equivalents at the end of year	14	5 865	3 372

1) The amount above also include share issues without contribution of cash. Investments in subsidiaries also includes investments made by direct share issues.

NOTES – PARENT COMPANY

Note 1 Significant accounting principles

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995: 1554) and the recommendation RFR 2 "Accounting for legal entity" issued by the Swedish Financial Reporting Board. The parent company applies the same accounting principles as the Group with the exceptions and additions stated in RFR 2. This means that IFRS is applied with the deviations specified below.

Subsidiaries

Shares in subsidiaries are reported in the parent company in accordance with the acquisition value method. This means that transaction costs are included in the book value of holdings in the subsidiary. The book value is tested quarterly against the subsidiaries' equity. In cases where the book value is less than the subsidiaries' consolidated value, write-downs are charged to the income statement. In cases where a previous write-down is no longer justified, this is reversed.

Group contributions and shareholder contributions

The parent company reports both received and paid group contributions as appropriations. Shareholder contributions of the parent company are transferred directly to shareholders' equity of the recipient and reported as shares and participations with the parent company. Received shareholder contributions are reported as an increase in non-restricted equity.

Income

Dividends are reported when the right to receive payment is certain. Revenue from the sale of subsidiaries is reported when risks and benefits associated with the holding in the subsidiary have been transferred to the buyer.

Financial instruments

Due to the connection between accounting and taxation, the rules on financial instruments in accordance with IFRS 9 in the parent company are not applied as a legal entity, but the parent company applies the acquisition value method in accordance with the ÅRL. In the parent company, therefore, financial fixed assets are valued at acquisition value and financial current assets according to the lowest value principle, with the application of impairment losses for expected loan losses according to IFRS 9 for assets that are debt instruments, see further in Note 22 for the Group. For other financial assets, write-downs are based on market values.

The parent company applies the exception not to value financial guarantee agreements for the benefit of subsidiaries and associated companies and joint ventures in accordance with the rules in IFRS 9, but instead applies the principles for valuation according to IAS 37 Provisions, contingent liabilities and contingent assets.

Untaxed reserves

In the parent company, tax allocation reserves including deferred tax liabilities are reported. In the consolidated accounts, on the other hand, untaxed reserves are divided into deferred tax liabilities and equity.

Note 2 Significant estimates and assessments

For significant estimates and assessments, see Note 3 for the Group.

Note 3 Fees to the auditor

Ernst & Young AB	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Audit fees	835	537
Other auditing costs	712	716
Tax advice	156	-
Other services	2 837	-
Total	4 540	1 253

Note 4 Employees and personnel costs

For salaries and remuneration to employees and senior executives as well as information on the number of employees, see Note 8 for the Group.

Note 5 Result from shares in group companies

	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Dividends received	6 706	3 062
Total	6 706	3 062

Note 6 Interest income and similar items

	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Interest income to group companies	228 867	64 140
Other interest income	971	6
Exchange rate differences, financial items *)	10 170	-
Total	240 008	64 146

*) Not calculated according to the effective interest method

Note 7 Interest expenses and similar items

	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Interest expenses to group companies	50 604	4 392
Other interest expense	188 183	63
Exchange rate differences, financial items *)	8 989	1
Other financial expenses	1 113	452
Total	248 889	4 908

*) Not calculated according to the effective interest method

Note 8 Appropriations

	01-01-2018 - 31-12-2018	01-01-2017 - 31-12-2017
Group contribution received	73 242	-
Provision for accrual fund	-	-2 090
Total	73 242	-2 090

Note 9 Tax

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Current tax	-	-3 340
Changes in deferred tax for temporary differences	884	-
Reported tax	884	-3 340

	01-01-2018	01-01-2017
	- 31-12-2018	- 31-12-2017
Reconciliation of effective tax rate		
Profit before tax	4 307	17 532
Tax according to the applicable tax rate for the parent company (22%)	-948	-3 857
Tax effect of:		
Non-taxable income	1 475	-
Non-deductible costs	-66	517
Activation of deficit	884	-
Other	-461	-
Reported tax	884	-3 340
Effective tax rate	21 %	-19 %

	31-12-2018	31-12-2017
Carrying amount at the beginning of year	-	-
Tax losses	884	-
Carrying amount at the end of year	884	-

	31-12-2018	31-12-2017
Carrying amount at the beginning of year	1 381	-
Tax reported in the income statement	-	3 340
Tax recognized against equity	-	-1 959
Carrying amount at the end of year	1 381	1 381

Note 10 Shares in group companies

	31-12-2018	31-12-2017
Carrying amount at the beginning of year	3 441 984	1 733
Acquisition/shareholder contributions	257 612	3 441 984
Sales	-	-1 733
Carrying amount at the end of year	3 699 596	3 441 984

The list below includes shares and participations directly or indirectly owned by the parent company.

Company	Corporation no.	Location	Shares	Capital share, %	Reported Value	
					31-12-2018	31-12-2017
SBB i Norden AB (publ)	559053-5174	Stockholm	20 516 611	100%	2 280 617	2 280 617
SamSkaraborg Fastigheter AB	556694-9847	Stockholm	50 000	100%		
SamFalköping Bokbindaren 6 AB	556810-8186	Stockholm	50 000	100%		
SamSkara Gräshoppan 6 AB	556695-3633	Stockholm	100 000	100%		
SamTidaholm Stensiken 1 AB	556810-8293	Stockholm	50 000	100%		
Samhällsbyggnadsbolaget Samhäll Holding AB	559053-5182	Stockholm	50 000	100%		
Arlöv Projekt AB	559089-3268	Stockholm	50 000	100%		
Baccfast AB	556525-7556	Stockholm	10 000	100%		
Borlänge Bordet Ett AB	556878-0257	Stockholm	500	100%		
Elitloppet Fastighet AB	556781-7191	Stockholm	1 000	100%		
Estländaren Fastighet AB	556041-1638	Stockholm	21 600	100%		
Fagerhultfastigheter 1 AB	556904-9884	Stockholm	500	100%		
Fastighetsutveckling IB 33 AB	559115-3274	Stockholm	50 000	100%		
Fastighetsutveckling IB 34 AB	559115-3266	Stockholm	50 000	100%		
Fastighetsutveckling IB 35 AB	559115-3258	Stockholm	50 000	100%		
Fastighetsutveckling IB 36 AB	559115-3241	Stockholm	50 000	100%		
Fastighetsutveckling IB 37 AB	559115-3233	Stockholm	50 000	100%		
Fastighetsutveckling IB 38 AB	559115-3225	Stockholm	50 000	100%		

<i>Fastighetsutveckling IB 39 AB</i>	559115-3217	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 40 AB</i>	559115-3209	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 45 AB</i>	559115-3753	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 46 AB</i>	559115-3696	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 49 AB</i>	559115-6285	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 50 AB</i>	559115-6301	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 51 AB</i>	559115-6293	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 52 AB</i>	559115-6475	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 53 AB</i>	559115-6483	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 54 AB</i>	559115-6459	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 55 AB</i>	559115-6467	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 56 AB</i>	559115-6517	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 57 AB</i>	559115-6525	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 58 AB</i>	559115-6491	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 59 AB</i>	559115-6509	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 60 AB</i>	559115-6392	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 61 AB</i>	559115-6400	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 62 AB</i>	559115-6376	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 63 AB</i>	559115-6384	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 64 AB</i>	559115-6434	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 65 AB</i>	559115-6442	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 80 AB</i>	559159-7488	<i>Stockholm</i>	50 000	100%
<i>Fastighetsutveckling IB 81 AB</i>	559159-7454	<i>Stockholm</i>	50 000	100%
<i>Framtidens Boende i Göteborg AB</i>	556882-7165	<i>Stockholm</i>	1 000	100%
<i>Förvaltningsbolaget Kulltorp 3 KB</i>	969601-3896	<i>Stockholm</i>		100%
<i>Göta Utveckling AB</i>	559070-4390	<i>Göteborg</i>	50 000	100%
<i>Höggullen LSS Kungsbacka AB</i>	559077-0805	<i>Stockholm</i>	50 000	100%
<i>Höggullen LSS Sandviken AB</i>	559108-3687	<i>Stockholm</i>	50 000	100%
<i>Höggullen LSS Svalöv AB</i>	559103-6610	<i>Stockholm</i>	50 000	100%
<i>Höggullen LSS Tingsryd AB</i>	559024-6889	<i>Stockholm</i>	500	100%
<i>Höggullen LSS Uppsala AB</i>	559135-5424	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 10 AB</i>	559065-1872	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 11 AB</i>	559065-1815	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 12 AB</i>	559065-1880	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 28 AB</i>	559070-4564	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 29 AB</i>	559070-4556	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 30 AB</i>	559070-4549	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 46 AB</i>	559115-3142	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 47 AB</i>	559115-8901	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 48 AB</i>	559115-8893	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 51 AB</i>	559134-4980	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 52 AB</i>	559134-4972	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 53 AB</i>	559154-7657	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 54 AB</i>	559154-7582	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 55 AB</i>	559154-7590	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 64 AB</i>	559161-5660	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 65 AB</i>	559161-5678	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 73 AB</i>	559162-1437	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 74 AB</i>	559162-1452	<i>Stockholm</i>	50 000	100%
<i>IB Bostad 9 AB</i>	559065-1849	<i>Stockholm</i>	50 000	100%
<i>IB Bostad Oskarshamn AB</i>	559043-2216	<i>Stockholm</i>	50 000	100%
<i>IB Gångsta AB</i>	559039-0042	<i>Stockholm</i>	50 000	100%
<i>IB Sundsvall Holding AB</i>	556974-0367	<i>Stockholm</i>	50 000	100%
<i>Panirab AB</i>	556520-8856	<i>Stockholm</i>	1 000	100%
<i>Samhäll 1 AB</i>	559062-6171	<i>Stockholm</i>	50 000	100%
<i>Samhäll 11 AB</i>	559065-1922	<i>Stockholm</i>	50 000	100%
<i>Samhäll 14 AB</i>	559068-8940	<i>Stockholm</i>	50 000	100%
<i>Samhäll 15 AB</i>	559068-8874	<i>Stockholm</i>	50 000	100%
<i>Samhäll 16 AB</i>	559068-8882	<i>Stockholm</i>	50 000	100%
<i>Samhäll 17 AB</i>	559068-8890	<i>Stockholm</i>	50 000	100%
<i>Samhäll 18 AB</i>	559068-8908	<i>Stockholm</i>	50 000	100%
<i>Samhäll 19 AB</i>	559068-8841	<i>Stockholm</i>	50 000	100%
<i>Samhäll 20 AB</i>	559068-8833	<i>Stockholm</i>	50 000	100%
<i>Samhäll 21 AB</i>	559068-8866	<i>Stockholm</i>	50 000	100%
<i>Samhäll 22 AB</i>	559068-8858	<i>Stockholm</i>	50 000	100%
<i>Samhäll 23 AB</i>	559068-8809	<i>Stockholm</i>	50 000	100%
<i>Samhäll 24 AB</i>	559070-4481	<i>Stockholm</i>	50 000	100%
<i>Samhäll 25 AB</i>	559070-4457	<i>Stockholm</i>	50 000	100%
<i>Samhäll 26 AB</i>	559070-4465	<i>Stockholm</i>	50 000	100%
<i>Samhäll 27 AB</i>	559070-4358	<i>Stockholm</i>	50 000	100%
<i>Samhäll 28 AB</i>	559070-4366	<i>Stockholm</i>	50 000	100%
<i>Samhäll 29 AB</i>	559070-4333	<i>Stockholm</i>	50 000	100%

Samhäll 3 AB	559062-6189	Stockholm	50 000	100%
Samhäll 32 AB	559070-4408	Stockholm	50 000	100%
Samhäll 33 AB	559070-4374	Stockholm	50 000	100%
Samhäll 34 AB	559070-4382	Stockholm	50 000	100%
Samhäll 36 AB	559070-4622	Stockholm	50 000	100%
Samhäll 38 AB	559070-4580	Stockholm	50 000	100%
Samhäll 39 AB	559070-4721	Stockholm	50 000	100%
Samhäll 43 AB	559105-3078	Stockholm	50 000	100%
Samhäll 44 AB	559105-3029	Stockholm	50 000	100%
Samhäll 45 AB	559105-3086	Stockholm	50 000	100%
Samhäll 46 AB	559105-3037	Stockholm	50 000	100%
Samhäll 47 AB	559105-3011	Stockholm	50 000	100%
Samhäll 48 AB	559105-7715	Stockholm	50 000	100%
Samhäll 49 AB	559108-3844	Stockholm	50 000	100%
Samhäll 5 AB	559062-6197	Stockholm	50 000	100%
Samhäll 50 AB	559108-3810	Stockholm	50 000	100%
Samhäll 51 AB	559115-3175	Stockholm	50 000	100%
Samhäll 52 AB	559115-3167	Stockholm	50 000	100%
Samhäll 53 AB	559115-3134	Stockholm	50 000	100%
Samhäll 55 AB	559115-3365	Stockholm	50 000	100%
Samhäll 57 AB	559124-0121	Stockholm	50 000	100%
Samhäll 58 AB	559124-0139	Stockholm	50 000	100%
Samhäll 59 AB	559126-1853	Stockholm	50 000	100%
Samhäll 60 AB	559126-1846	Stockholm	50 000	100%
Samhäll 61 AB	559089-3391	Stockholm	50 000	100%
Samhäll 62 AB	559152-5299	Stockholm	50 000	100%
Samhäll 64 AB	559153-7880	Stockholm	50 000	100%
Samhäll 66 AB	559153-7864	Stockholm	50 000	100%
Samhäll 67 AB	559157-9833	Stockholm	50 000	100%
Samhäll 68 AB	559157-9841	Stockholm	50 000	100%
Samhäll 69 AB	559157-9858	Stockholm	50 000	100%
Samhäll 7 AB	559064-1402	Stockholm	50 000	100%
Samhäll 70 AB	559157-9866	Stockholm	50 000	100%
Samhäll 71 AB	559162-1338	Stockholm	50 000	100%
Samhäll 72 AB	559162-1221	Stockholm	50 000	100%
Samhäll 73 AB	559162-1296	Stockholm	50 000	100%
Samhäll 74 AB	559162-1304	Stockholm	50 000	100%
Samhäll 75 AB	559162-1320	Stockholm	50 000	100%
Samhäll 76 AB	559162-1346	Stockholm	50 000	100%
Samhäll 77 AB	559162-1353	Stockholm	50 000	100%
Samhäll 78 AB	559164-8851	Stockholm	50 000	100%
Samhäll 79 AB	559184-9723	Stockholm	50 000	100%
Samhäll 8 AB	559065-1930	Stockholm	50 000	100%
Samhäll 9 AB	559065-1898	Stockholm	50 000	100%
Samhäll Alfa2 Holding AB	559079-7592	Stockholm	50 000	100%
Samhäll Fågelvik AB	559000-3256	Stockholm	1 000	100%
Samhäll Kobbegården AB	559059-2613	Stockholm	50 000	100%
Samhäll Majorna AB	559059-2621	Stockholm	50 000	100%
Samhäll SBM Holding AB (publ)	559111-6602	Stockholm	500 000	100%
Samhäll Skövde Skultorp AB	559020-5778	Stockholm	500	100%
Samhäll Syd AB	556941-3544	Stockholm	50 000	100%
Samhäll Säter AB	556062-4172	Stockholm	2 000	100%
Samhäll Äldreboende Fastighets AB	559055-2799	Stockholm	50 000	100%
Samhällsbyggnadsbolaget Haninge AB	556601-4154	Stockholm	2 000	100%
Samhällsbyggnadsbolaget Lästen AB	556751-7957	Stockholm	1 000	100%
Samhällsbyggnadsbolaget Orresta AB	556751-8047	Stockholm	1 000	100%
SBB Anis AB	556777-8047	Stockholm	1 000	100%
SBB Arlöv AB	559105-7814	Stockholm	50 000	100%
SBB Arlöv Holding AB	559105-7665	Stockholm	50 000	100%
SBB Björken AB	559105-7947	Stockholm	50 000	100%
SBB Björken Holding AB	559105-7632	Stockholm	50 000	100%
SBB Blinkarp Holding AB	559105-7673	Stockholm	50 000	100%
SBB Blomman Holding AB	559105-7723	Stockholm	50 000	100%
SBB Eldsboda AB	556742-5664	Stockholm	1 000	100%
SBB Flundranhälle 8 AB	559057-8943	Stockholm	500	100%
SBB GEUP AB	556455-4060	Stockholm	1 000	100%
SBB Grönskogen AB	559087-5794	Stockholm	50 000	100%
SBB Helsingborg AB	556748-4174	Stockholm	100 000	100%
SBB Huddinge AB	559116-2390	Stockholm	50 000	100%
SBB Härstorp AB	559094-9664	Stockholm	50 000	100%
SBB Höganäs Samhällsfastigheter AB (f.d. SBB Fabrikatören AB)	559094-9698	Stockholm	50 000	100%

SBB i Boden AB	559061-3823	Stockholm	500	100%
SBB i Vimmerby AB	556451-6713	Stockholm	1 000	100%
SBB Karlskrona AB	556678-7783	Stockholm	1 000	100%
SBB Karlskrona IB2 AB	556586-2199	Stockholm	1 000	100%
SBB Kobbegården Kommanditbolag	969695-3547	Göteborg		100%
SBB Kråkhult AB	559105-7970	Stockholm	50 000	100%
SBB Kvarnsveden AB	559094-9672	Stockholm	50 000	100%
SBB Landsdomaren KB	916615-7579	Stockholm		100%
SBB Lasarettet AB	559105-7772	Stockholm	50 000	100%
SBB Linet AB	559105-7921	Stockholm	500	100%
SBB Linet Holding AB	559105-7616	Stockholm	50 000	100%
SBB Luleå Porsön AB	556541-4546	Stockholm	40 000	100%
SBB Luxpol AB	556966-5804	Stockholm	50 000	100%
SBB Mitt Holding AB	559105-7681	Stockholm	50 000	100%
SBB Norr AB	559105-7962	Stockholm	50 000	100%
SBB Pilen AB	559105-7939	Stockholm	50 000	100%
SBB Pilen Holding AB	559105-7640	Stockholm	50 000	100%
SBB Rödjan AB	559105-7780	Stockholm	50 000	100%
SBB Rödjan Holding AB	559105-7707	Stockholm	50 000	100%
SBB Röinge AB	559105-7954	Stockholm	500	100%
SBB Röinge Holding AB	559105-7582	Västerås	50 000	100%
SBB Salvia AB	556777-8302	Stockholm	1 000	100%
SBB Sinclair AB	559105-7905	Stockholm	50 000	100%
SBB Sjöcrona 2 AB	556615-1584	Stockholm	1 000	100%
SBB Skara Samfast AB	559105-7798	Stockholm	50 000	100%
SBB Skara Stenbocken AB	556773-7159	Stockholm	1 000	100%
SBB Skrattmåsen Fastighets AB	559085-5291	Malmö	500	100%
SBB Stallet Holding AB	559105-7590	Stockholm	50 000	100%
SBB Stettfast AB	559084-1366	Stockholm	500	100%
SBB Storfors AB	559105-7756	Stockholm	50 000	100%
SBB Storfors Holding AB	559105-7749	Stockholm	50 000	100%
SBB Verkö AB	559146-6056	Stockholm	500	100%
SBB Vänersborg 1 AB	559105-7764	Stockholm	50 000	100%
SBB Vänersborg 1 Holding AB	559105-7731	Stockholm	50 000	100%
SBB Väst AB	559105-7897	Stockholm	50 000	100%
SBB Väst Holding AB	559105-7657	Stockholm	50 000	100%
SBB Västerås AB	556677-0417	Stockholm	500 000	100%
Sjöcronan Fastigheter AB	556746-9431	Stockholm	1 000	100%
Slaggvarpen AB	556810-7204	Stockholm	2	100%
Solliden Fastigheter KB	969646-4206	Västerås		100%
SP Guldsmeden 10 AB	556913-0338	Stockholm	500	100%
SP Järnhandlaren 6 AB	556913-0460	Stockholm	500	100%
Svettpärlans Hus AB	556634-5384	Karlskrona	5 000	100%
Urban Cribs Holding Sverige AB	559063-9240	Kungsbacka	1 020	100%
Urban Cribs Utveckling Lindholmen AB	559070-4341	Göteborg	50 000	100%
Samhällsbyggnadsbolaget Bostad Invest IB AB	559058-0972	Stockholm	50 000	100%
Britsarvsskolan 6 i Falun AB	559105-9976	Västerås	500	100%
Gjutpressen Fastigheter AB	559056-7615	Stockholm	500	100%
IB Bostad 1 AB	559062-6247	Stockholm	50 000	100%
IB Bostad 13 AB	559068-8791	Stockholm	50 000	100%
IB Bostad 14 AB	559068-8825	Stockholm	50 000	100%
IB Bostad 15 AB	559068-8817	Stockholm	50 000	100%
IB Bostad 16 AB	559068-8767	Stockholm	50 000	100%
IB Bostad 17 AB	559068-8759	Stockholm	50 000	100%
IB Bostad 18 AB (publ)	559068-8783	Stockholm	500 000	100%
IB Bostad 19 AB	559068-8775	Stockholm	50 000	100%
IB Bostad 20 AB	559068-8742	Stockholm	50 000	100%
IB Bostad 21 AB	559069-1878	Stockholm	50 000	100%
IB Bostad 22 AB	559070-4663	Stockholm	50 000	100%
IB Bostad 23 AB	559070-4531	Stockholm	50 000	100%
IB Bostad 24 AB	559070-4515	Stockholm	50 000	100%
IB Bostad 25 AB	559070-4507	Stockholm	50 000	100%
IB Bostad 26 AB	559070-4499	Stockholm	50 000	100%
IB Bostad 27 AB	559070-4572	Stockholm	50 000	100%
IB Bostad 3 AB	559062-6254	Stockholm	50 000	100%
IB Bostad 31 AB	559070-4655	Stockholm	50 000	100%
IB Bostad 32 AB	559070-4630	Stockholm	50 000	100%
IB Bostad 33 AB	559070-4614	Stockholm	50 000	100%
IB Bostad 34 AB	559070-4598	Stockholm	50 000	100%
IB Bostad 35 AB	559070-4739	Stockholm	50 000	100%
IB Bostad 36 AB	559070-4713	Stockholm	50 000	100%
IB Bostad 37 AB	559070-4697	Stockholm	50 000	100%

<i>IB Bostad 38 AB</i>	559070-4671	Stockholm	50 000	100%
<i>IB Bostad 39 AB</i>	559070-4523	Stockholm	50 000	100%
<i>IB Bostad 43 AB</i>	559111-7949	Stockholm	50 000	100%
<i>IB Bostad 45 AB</i>	559115-3159	Stockholm	50 000	100%
<i>IB Bostad 49 AB</i>	559129-5638	Stockholm	50 000	100%
<i>IB Bostad 50 AB</i>	559129-5646	Stockholm	50 000	100%
<i>IB Bostad 56 AB</i>	559154-7558	Stockholm	50 000	100%
<i>IB Bostad 57 AB</i>	559154-7541	Stockholm	50 000	100%
<i>IB Bostad 58 AB</i>	559154-7533	Stockholm	50 000	100%
<i>IB Bostad 59 AB</i>	559153-7906	Stockholm	50 000	100%
<i>IB Bostad 6 AB</i>	559062-6155	Stockholm	50 000	100%
<i>IB Bostad 60 AB</i>	559153-7922	Stockholm	50 000	100%
<i>IB Bostad 61 AB</i>	559153-7914	Stockholm	50 000	100%
<i>IB Bostad 62 AB</i>	559159-7504	Stockholm	50 000	100%
<i>IB Bostad 63 AB</i>	559159-7470	Stockholm	50 000	100%
<i>IB Bostad 66 AB</i>	559162-1361	Stockholm	50 000	100%
<i>IB Bostad 67 AB</i>	559162-1379	Stockholm	50 000	100%
<i>IB Bostad 68 AB</i>	559162-1387	Stockholm	50 000	100%
<i>IB Bostad 69 AB</i>	559162-1395	Stockholm	50 000	100%
<i>IB Bostad 70 AB</i>	559162-1403	Stockholm	50 000	100%
<i>IB Bostad 8 AB</i>	559065-1823	Stockholm	50 000	100%
<i>IB Bostad Borlänge 1 AB</i>	559079-3625	Stockholm	500	100%
<i>IB Bostad Nykvarn AB</i>	556973-7264	Stockholm	2 000	100%
<i>IB Västland AB</i>	556680-9363	Stockholm	1 000	100%
<i>Klövern Högboberget AB</i>	556663-3979	Stockholm	1 000	100%
<i>Kopparleden AB</i>	556611-0093	Stockholm	1 000	100%
<i>Kullen i Ulricehamn AB</i>	559062-5835	Stockholm	500	100%
<i>Letten Fastigheter KB</i>	969664-8386	Västerås		100%
<i>Miscere AB</i>	556851-0902	Stockholm	500	100%
<i>Samhäll 63 AB</i>	559152-5307	Stockholm	50 000	100%
<i>Samhäll 65 AB</i>	559153-7872	Stockholm	50 000	100%
<i>Samhällsbyggnadsbolaget Bostad Holding IB AB</i>	559059-2654	Stockholm	50 000	100%
<i>Samhällsbyggnadsbolaget Bostad Invest IB AB</i>	559058-0972	Stockholm	50 000	100%
<i>SBB Bolunden AB</i>	556723-4488	Stockholm	100 000	100%
<i>SBB Gullbernhult 7 AB</i>	556774-4957	Stockholm	1 000	100%
<i>SBB Korsnäs-Hosjö AB</i>	559149-4827	Stockholm	500	100%
<i>SBB Nacka 2 AB</i>	556686-3493	Stockholm	1 000	100%
<i>SBB Nacka 3 AB</i>	556707-4504	Stockholm	1 001	100%
<i>SBB Nackagubb AB</i>	556810-8517	Stockholm	500	100%
<i>SBB Vårberg AB</i>	559039-2212	Stockholm	1 000	100%
<i>IB Mitt AB</i>	556901-7865	Stockholm	100 000	100%
<i>IB Bostad 71 AB</i>	559162-1411	Stockholm	50 000	100%
<i>IB Bostad 72 AB</i>	559162-1429	Stockholm	50 000	100%
<i>IB Härsta Holding AB</i>	559060-0010	Stockholm	50 000	100%
<i>IB Sundsvall AB</i>	559023-2855	Stockholm	50 000	100%
<i>Nya Gimmel AB</i>	559082-2580	Stockholm	50 000	100%
<i>Bollnäs Bandy Fastighets AB</i>	559147-1452	Stockholm	500	100%
<i>Gimmel Söderhamn AB</i>	559004-1728	Söderhamn	500	100%
<i>Samhällsbyggnadsbolaget Fastighetsutveckling IB AB</i>	559055-2807	Stockholm	50 000	100%
<i>Fastighets AB Flugsta</i>	559108-7720	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 1 AB</i>	559062-6163	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 14 AB</i>	559094-8518	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 16 AB</i>	559094-8427	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 18 AB</i>	559108-3828	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 19 AB</i>	559108-3794	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 20 AB</i>	559108-3802	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 21 AB</i>	559108-3778	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 23 AB</i>	559114-8563	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 27 AB</i>	559115-3340	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 29 AB</i>	559115-3324	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 31 AB</i>	559115-3308	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 32 AB</i>	559115-3282	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 4 AB</i>	559065-1856	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 41 AB</i>	559115-3191	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 42 AB</i>	559115-3183	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 43 AB</i>	559115-3738	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 47 AB</i>	559115-3647	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 48 AB</i>	559115-3670	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 6 AB</i>	559065-1864	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 66 AB</i>	559118-9336	Stockholm	50 000	100%
<i>Fastighetsutveckling IB 67 AB</i>	559118-9302	Stockholm	50 000	100%

<i>Fastighetsutveckling IB 70 AB</i>	559134-5003	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 72 AB</i>	559154-7608	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 74 AB</i>	559154-7574	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 76 AB</i>	559153-7948	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 78 AB</i>	559159-7520	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 8 AB</i>	559069-1886	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 82 AB</i>	559160-9507	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 83 AB</i>	559160-9499	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 84 AB</i>	559162-1270	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 85 AB</i>	559162-1288	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 86 AB</i>	559162-1312	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 87 AB</i>	559162-1213	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 88 AB</i>	559162-1247	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 9 AB</i>	559069-1852	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 92 AB</i>	559174-5947	<i>Stockholm</i>	50 000	100%		
<i>Fastighetsutveckling IB 93 AB</i>	559174-5848	<i>Stockholm</i>	50 000	100%		
<i>IB Bostad 7 AB</i>	559065-1831	<i>Stockholm</i>	50 000	100%		
<i>IB Nötknäpparen AB</i>	556176-2112	<i>Stockholm</i>	15 000	100%		
<i>Järven 4 Fastigheter AB</i>	556796-2393	<i>Stockholm</i>	1 000	100%		
<i>Klarsam Fastighetsutveckling AB</i>	559162-1239	<i>Stockholm</i>	50 000	100%		
<i>Kvarnfastighetsbolaget IB AB</i>	556710-7189	<i>Stockholm</i>	100 000	100%		
<i>Projekt Arlövsgården AB</i>	559115-3357	<i>Stockholm</i>	50 000	100%		
<i>Samhäll 12 AB</i>	559065-1914	<i>Stockholm</i>	50 000	100%		
<i>SBB Alvesta AB</i>	556962-8919	<i>Stockholm</i>	500	100%		
<i>SBB Huskvarna AB</i>	559082-8439	<i>Stockholm</i>	500	100%		
<i>SBB Raspen 1 AB</i>	556010-4415	<i>Stockholm</i>	15 000	100%		
<i>Slaggborn Västerås AB</i>	559108-3786	<i>Stockholm</i>	50 000	100%		
<i>SP Tillbringaren 2 AB</i>	556950-7691	<i>Stockholm</i>	50 000	100%		
<i>Samhällsbyggnadsbolaget IB Service AB</i>	559070-4689	<i>Stockholm</i>	50 000	100%		
<i>Samhällsbyggnadsbolaget Förvaltning Sverige AB</i>	559055-8648	<i>Stockholm</i>	50 000	100%		
<i>SBB Förvaltnings AS</i>	918659641	<i>Trondheim</i>	1 000	100%		
<i>Samhäll 40 AB</i>	559070-4705	<i>Stockholm</i>	50 000	100%		
<i>SBB Norway AS</i>	917802025	<i>Trondheim</i>	1 000	100%		
<i>Nye Barcode 121 Bidco AS</i>	918480129	<i>Trondheim</i>	12 532	100%		
<i>B121 Hodling AS</i>	914392241	<i>Trondheim</i>	1 000	100%		
<i>Barcode 121 Holding AS</i>	914392128	<i>Trondheim</i>	200	100%		
<i>Nye Barcode 121 AS</i>	917146284	<i>Trondheim</i>	4 975	100%		
<i>Blådalen Holdco AS</i>	918614605	<i>Trondheim</i>	1 000	100%		
<i>Blådalen Midco AS</i>	918480137	<i>Trondheim</i>	1 000	100%		
<i>Blådalen Bidco AS</i>	918480153	<i>Trondheim</i>	1 000	100%		
<i>Tangen Næring Holdco AS</i>	918480102	<i>Trondheim</i>	1 000	100%		
<i>Tangen Næring Midco AS</i>	918480145	<i>Trondheim</i>	1 000	100%		
<i>Tangen Næring Bidco AS</i>	918053492	<i>Trondheim</i>	1 000	100%		
<i>Tangen Næring Eiendom AS</i>	994188054	<i>Trondheim</i>	1 000	100%		
<i>ANS Tangenbygg</i>	948216175	<i>Trondheim</i>		100%		
<i>Rasletind Holdco AS</i>	918280162	<i>Trondheim</i>	1 000	100%		
<i>Rasletind Midco AS</i>	918266526	<i>Trondheim</i>	1 000	100%		
<i>Rasletind Bidco KA20 AS</i>	919516003	<i>Trondheim</i>	1 000	100%		
<i>Rasletind Bidco AS</i>	918056181	<i>Trondheim</i>	1 000	100%		
<i>Kvartal 71 AS</i>	813013002	<i>Trondheim</i>	1	100%		
<i>Vestre Strandgate 21 AS</i>	913013050	<i>Trondheim</i>	1	100%		
<i>Lømslandsvei 6 AS</i>	913012976	<i>Trondheim</i>	1	100%		
<i>Gullhaug Holdco AS</i>	917802076	<i>Trondheim</i>	1 000	100%		
<i>Gullhaug Bidco AS</i>	914881471	<i>Trondheim</i>	1 000	100%		
<i>Nydalen Kontorbygg AS</i>	999204341	<i>Trondheim</i>	13 742 000	100%		
<i>Nye Gullhaug Torg 4 Eiendom AS</i>	919487623	<i>Trondheim</i>	30 000	100%		
<i>Offentlige Bygg Bidco AS</i>	919487593	<i>Trondheim</i>	30 000	100%		
<i>Offentlige Bygg AS</i>	989855328	<i>Trondheim</i>	2 000	100%		
<i>Andelseier AS</i>	989855409	<i>Trondheim</i>	100	100%		
<i>Statlige Bygg AS</i>	917410704	<i>Trondheim</i>	100	100%		
<i>Grönland 1 AS</i>	917410976	<i>Trondheim</i>	100	100%		
<i>Grönland 1 Hjemmel ANS</i>	948727900	<i>Trondheim</i>		100%		
<i>SBB Tønsberg Bidco AS</i>	920492630	<i>Trondheim</i>	30 000	100%		
<i>Maribu Eiendom AS</i>	913298500	<i>Trondheim</i>	10 080	100%		
<i>Marie Treschow Eiendom AS</i>	913298543	<i>Trondheim</i>	15 120	100%		
<i>Ryllikveien Bolig AS</i>	920782086	<i>Trondheim</i>	10 080	100%		
<i>SBB Finland AB</i>	559146-5363	<i>Stockholm</i>	50 000	100%		
<i>Tampere Holdco Oy</i>	2905125-8	<i>Helsinki</i>	1 000	100%		
<i>SBB Vantaa Oy</i>	2913100-4	<i>Helsinki</i>	1 000	100%		
<i>AVH-Kiinteistöholding Oy</i>	2485653-2	<i>Ikaalinen</i>	100	100%		
<i>Aktiebolaget Högkullen (publ)</i>	559002-5465	<i>Stockholm</i>	10 000 000	100%	334 309	333 822
<i>Fastighetsbolaget Thamstorps AB</i>	559069-9152	<i>Göteborg</i>	500	100%		

Fjölebro Fastighetsförvaltning AB	556582-8042	Göteborg	1 000	100%		
Gruppbostäder i Sverige AB	556236-6293	Göteborg	1 000	100%		
Gruppbostäder i Sverige AB & Co KB nr 1	916894-0238	Göteborg		100%		
Gruppbostäder i Sverige AB & Co KB nr 2	916894-0246	Göteborg		100%		
Gruppbostäder i Sverige AB & Co KB nr 3	916894-0253	Göteborg		100%		
Gruppbostäder i Sverige AB & Co KB nr 4	916894-0261	Göteborg		100%		
Gruppbostäder i Sverige Förvaltnings AB	556342-1642	Göteborg	1 000	100%		
Gruppbostäder nr 6 KB	916895-5517	Göteborg		100%		
Gruppbostäder nr 7 KB	916895-5525	Göteborg		100%		
Gruppbostäder nr 8 KB	916895-5533	Göteborg		100%		
Gruppbostäder nr 9 KB	916895-5541	Göteborg		100%		
Höggullen LSS Gotland AB	556933-1589	Göteborg	50 000	100%		
Höggullen Oldco Fastighets AB	559003-2339	Göteborg	500	100%		
Höggullen Omsorgsfastigheter AB	556763-0651	Göteborg	11 000	100%		
Höggullen Singoalla AB	559083-6093	Göteborg	500	100%		
Höggullen Sätra AB	556286-6086	Göteborg	1 000	100%		
KB Borgstena Gruppbostäder	916894-3836	Borås		100%		
LSS Bostäder i Sverige AB	559059-2241	Göteborg	500	100%		
Seniorbostäder i Sverige AB	556325-5255	Göteborg	5 010	100%		
Småland LSS AB	559033-4230	Ljungby	500	100%		
SBB Option AB	559062-6262	Stockholm	50 000	100%	6 515	6 515
Kuststaden Holding AB	556875-2173	Oskarshamn	26 735 251	100%	623 020	618 020
BoVillan AB	556717-9824	Oskarshamn	1 000	100%		
Byggnadsfirman Nils Persson AB	556036-2088	Oskarshamn	100	100%		
KB Svalan	916442-8519	Oskarshamn		100%		
Kuststaden Bostäder AB	556849-6920	Oskarshamn	500	100%		
Kuststaden Bostäder i Nybro AB	559054-2659	Oskarshamn	500	100%		
Kuststaden Fastigheter i Döderhult AB	556656-4422	Oskarshamn	1 000	100%		
Kuststaden Fastigheter i Kalmar AB	559054-2675	Oskarshamn	500	100%		
Kuststaden Fastigheter i Oskarshamn AB	556567-6987	Oskarshamn	20 000	100%		
Kuststaden Fastigheter i Västervik AB	556963-7597	Oskarshamn	500	100%		
Kuststaden Kommersiella Fastigheter AB	556741-3207	Oskarshamn	1 000	100%		
Stenkulan i Saltvik HB	916528-4275	Oskarshamn		100%		
Sörmlandsporten AB	556716-3034	Stockholm	1 000	100%	203 010	203 010
SP Grytan 6 AB	556949-0666	Stockholm	50 000	100%		
SP Minuthandlaren 17 AB	556907-3454	Stockholm	500	100%		
Karlbergsvägen 77 Fastighets AB (publ)	559084-4352	Stockholm	15 102 878	99%	252 125	-
Silvercup 14 AB	559082-4537	Stockholm	50 000	100%		
Silvercup 16 AB	559082-4453	Stockholm	50 000	100%		
Silvercup 17 AB	559083-9840	Stockholm	50 000	100%		
Bostadsrättsföreningen Karlbergsvägen 77 i Stockholm	769633-2639	Stockholm		100%		
Karlbergsvägen 77 Projekt AB	556975-8245	Stockholm	500	100%	3 699 596	3 441 984

Reported value in the parent company

Note 11 Receivables from group companies

	2018-12-31	2017-12-31
Carrying amount at the beginning of year	1 600 341	19 348
Additional receivables	13 348 432	1 600 341
Reclassifications	-56 616	-
Outgoing receivables	-6 944 152	-19 348
Carrying amount at the end of year	7 948 005	1 600 341

Note 12 Financial instruments

Valuation of financial assets and liabilities as of December 31, 2018

	Financial assets / liabilities reported at amortized cost	Fair value
Financial assets SEK, thousands		Fair value
Receivables from group companies	7 948 005	7 948 005
Receivables from associated companies/joint ventures	155 844	155 844
Other long-term receivables	63 137	63 137
Accounts receivable	1 029	1 029
Other current receivables	9 917	9 917
Cash and cash equivalents	5 865	5 865
Total	8 183 797	8 183 797
Financial liabilities		
Liabilities to credit institutions	150 000	150 000
Bonds	2 460 647	2 460 647
Other long-term liabilities	87 630	87 630
Shareholder loans	1 840 417	1 840 417
Accounts payable	15 767	15 767
Other current liabilities	46 260	46 260
Total	4 600 721	4 600 721

Valuation of financial assets and liabilities at 31 December 2017

Financial assets SEK, thousands	Loan receivables		Total reported value	Fair value
	and accounts receivable	Other financial liabilities		
Receivables from group companies	1 600 341		1 600 341	1 600 341
Other long-term receivables	183		183	183
Other current receivables	5 000		5 000	5 000
Cash and cash equivalents	3 372		3 372	3 372
Total	1 608 896	-	1 608 896	1 608 896
Financial liabilities				
Accounts payable		9 799	9 799	9 799
Other current liabilities		10 301	10 301	10 301
Total		20 100	20 100	20 100

The assets and liabilities are reported at amortized cost, which is deemed to correspond to its fair value.

Valuation at fair value

Fair value is the price that at the valuation date would be obtained by selling an asset or paid to the transfer of a liability by an orderly transaction between market participants. The table below shows financial instruments valued at fair value based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Level 1 - Listed prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Other observable inputs for the asset or liability other than listed prices included in level 1 either directly (i.e. as price quotes) or indirectly (i.e. derived from price quotes).
- Level 3 - Input data for the asset or the liability that is not based on available market.

The company financial assets and liabilities are assessed according to level 3.

Note 13 Prepaid expenses and accrued income

	31-12-2018	31-12-2017
Other	2 107	10 357
Reported value	2 107	10 357

Note 14 Cash and cash equivalents

	31-12-2018	31-12-2017
Cash and bank balances	5 865	3 372
Reported value	5 865	3 372

Note 15 Shareholders' equity

As of December 31 2018, the share capital consisted of 797 675 421 ordinary shares and 175 251 preference shares with a quota value of SEK 0.1. See also information in the Group's Note 20 Equity.

Note 16 Untaxed reserves

	31-12-2018	31-12-2017
Tax allocation reserves	2 090	2 090
Reported value	2 090	2 090

Note 17 Accrued expenses and prepaid income

	31-12-2018	31-12-2017
Accrued personnel costs	2 576	1 182
Accrued operating costs	-	828
Accrued interest costs	19 954	272
Other items	34 065	1 630
Reported value	56 595	3 912

Note 18 Pledged assets

The parent company has no collaterals.

Note 19 Contingent liabilities

	31-12-2018	31-12-2017
Guarantees in favor of group companies	4 713 456	3 065 546
Reported value	4 713 456	3 065 546

Guarantees in favor of group companies refer to the parent company, as borrowing takes place directly in a subsidiary.

Note 20 Transactions with related parties

Related party transactions 2018

Financial assets SEK, thousands	Purchase of goods / services	Interest rates	Receivables on balance sheet date	Debt on balance sheet date
Group companies	-	178 263	7 948 005	-
Total	-	178 263	7 948 005	-

Related party transactions 2017

Financial assets SEK, thousands	Purchase of goods / services	Interest rates	Receivables on balance sheet date	Debt on balance sheet date
Group companies	-	59 748	1 600 341	-
Total	-	59 748	1 600 341	-

The company's transactions with related parties include loans by the company's shareholders and lending to subsidiaries as well as interest on the loans. The shareholder loans, convertibles and loans within the Group are subordinated and with a 5 percent interest payable quarterly.

For information on remuneration to management, see employee note in the Group's note 8.

Note 21 Events after the balance sheet date

For events after the balance sheet date, see Note 30 for the Group.

Note 22 Proposed profit allocation

2018-12-31	
The following profits are available for distribution at the AGM:	
Share premium reserve	7 210 984 637
Retained earnings	-70 363 479
Net profit for the year	5 190 867
	7 145 812 025
Allocation:	
Dividend ordinary class A and B shareholders (SEK 0.25/share)	189 012 258
Dividend class D shareholders (SEK 2.00/share)	91 381 812
Dividend preference shareholders (SEK 35/share)	6 133 785
<u>To be carried forward</u>	6 859 284 170
	7 145 812 025

The Board's opinion on the dividend is available on page 88.

The Board of Directors and the CEO assure that the consolidated and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, respectively, good accounting practice and give a true and fair view of the Group's and the company's financial position and results and that the Board of Directors' report provides a true and fair overview of the development of the Group's and the company's operations, financial position and results and describes significant risks and uncertainties that the companies that are part of the Group face.

Stockholm, 26 March 2019

Lennart Schuss
Chairman of the Board

Ilija Batljan
CEO

Sven-Olof Johansson
Member of the Board

Hans Runesten
Member of the Board

Fredrik Svensson
Member of the Board

Eva Swartz Grimaldi
Member of the Board

Anne-Grete Strøm-Erichsen
Member of the Board

Our audit report was submitted on March 27, 2019.

Ernst & Young AB

Ingemar Rindstig
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Samhällsbyggnadsbolaget i Norden AB, corporate identity number 556981-7660

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Samhällsbyggnadsbolaget i Norden AB (publ) except for the corporate governance statement on pages 80-87 for the year 2018. The annual accounts and consolidated accounts of the company are included on pages 58-145 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 80-87. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

<i>Description</i>	<i>How our audit addressed this key audit matter</i>
The fair value of investment properties in the Group as at 31 December 2018 was 25 242,5 MSEK and changes in the value of properties of 1 516,6 MSEK. Investment Properties are the most significant item in the consolidated balance sheet. Valuation at fair value is inherently subject to subjective assessments, where a small change in assumptions underlying the valuations can have a significant impact on reported values. Valuations are return based on the cash flow model, which means that future cash flows are forecasted. The property's yield are assessed based on the unique risk of each property and actual market transactions. Due to the various assumptions and assessments that are made in connection with the valuation of investment properties, we considered this area as a particularly important area in our audit. A description of the valuation principles of the property holdings can be found in the section Property values on page 64-65 and Note 12, regarding significant estimates and assessments and in Note 3.	In our audit, we evaluated and reviewed management's process for real estate valuation, including evaluating the applied valuation method and input data in the valuations. We have also made comparisons with available market information. With the help of our valuation specialists, we have also examined the reasonableness of assumptions for a selection of properties such as yield, vacancy rate, rental income and operating costs. We have assessed whether the information provided in the annual report is appropriate.

Acquisition of investment properties

Description	How our audit addressed this key audit matter
<p>During the year 2018, the Group acquired investment properties for an amount of SEK 3 597,0 MSEK. Specific terms in the individual transaction agreements, the underlying property pricing and valuation, the assessment of whether acquisitions are to be classified as asset alternative acquisition as well as the assessment of the date of recognition of the acquisition all contributes to the complexity of the property transactions. Due to the complexity of assumptions and assessments made in property transactions, we consider this area to be a particularly important area in our audit. A description of accounting principles for acquisition of investment properties can be found in the Acquisition section on page 18 and Note 3 regarding significant estimates and assessments.</p>	<p>In our audit, we have evaluated and reviewed the company process for assessing the classification and recognition of acquired investment properties. We have reviewed the accounting of completed acquisitions with respect to the date of recognition, purchase price and any special conditions against underlying agreements. We have reviewed the information disclosed in the annual report.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-57 and 146-151. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

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 annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 the Board of Directors and the Managing Director.
- ▶ Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group'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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the

- ▶ disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Samhällsbyggnadsbolaget i Norden AB (publ) for the year 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence

to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- ▶ has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- ▶ in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 80-87 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted

auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850 103 99 Stockholm, was appointed auditor of Samhällsbyggnadsbolaget i Norden AB by the general meeting of the shareholders on the 27 April 2018 and has been the company's auditor since 28 March 2017.

Stockholm 27 March, 2019

Ernst & Young AB

Ingemar Rindstig
Authorized Public Accountant

DEFINITIONS

FINANCIAL DEFINITIONS

EPRA NNNAV (Actual net asset value), SEK

Equity attributable to the common share, excluding equity associated with preference and D shares, non-controlling interests and hybrid bonds, adjusted for estimated actual deferred tax at 5.5 percent.

The key figure provides an adjusted and complementary measure of the size of equity calculated in a manner consistent with listed property companies.

Number of outstanding preference shares

The number of preference shares outstanding at the end of the period.

Number of ordinary shares outstanding

The number of ordinary shares outstanding at the end of the period.

Return on equity, %

Net profit in relation to average equity.

The key figure shows SBB's return on equity during the period.

Loan to value ratio, %

Net debt in relation to total assets.

The key figure is used to illustrate SBB's financial risk.

EPRA

European Public Property Association is an organisation for listed property companies and investors in Europe. EPRA sets standards regarding financial reporting.

EPRA Earnings, SEK

Income from property management after estimated current tax attributable to shareholders of the Company excluding investment and development property revaluations, gains/losses on investing and trading property disposals, changes in the fair value of financial instruments and associated close-out costs and their related taxation

The key figure provides information about the management result calculated in a uniform manner for listed property companies.

Management results

Profit before changes in value and taxation.

Average number of preference shares

The number of outstanding preference shares weighted over the period.

Average number of ordinary shares

The number of ordinary shares outstanding weighted over the period.

Average interest rate,%

Weighted average contracted interest for interest-bearing liabilities at the end of the period, excluding unutilized credit facilities.

The key figure is used to illustrate SBB's financial risk .

Average fixed interest term, year

Average remaining maturity at the interest rate adjustment date for interest-bearing liabilities.

The key figure is used to illustrate SBB's financial risk.

Adjusted solvency, %

Reported equity incl. owner loans and convertibles, with reversal of reported deferred tax liability as a percentage of total assets.

The key figure is used to highlight SBB's financial stability.

Tied-up capital, year

Remaining maturity of interest-bearing liabilities.

The key figure is used to illustrate SBB's financial risk.

Cash flow from operations, SEK

Cash flow from operations before changes in working capital as illustrated in the cash flow statement.

EPRA NAV (long-term net asset value), SEK

Equity attributable to the ordinary share, excluding equity associated with preference and D shares, non-controlling interests and the hybrid bond, adding back deferred tax liability and interest rate derivatives.

The key figure provides an adjusted and complementary measure of the size of the equity calculated in a manner consistent with listed property companies.

Net debt, SEK

Interest-bearing liabilities less cash and cash equivalents.

Earnings per ordinary share A and B, SEK

Net period after dividend to preference shareholders and holders of D shares and interest on hybrid bonds in relation to the average number of ordinary shares A and B.

Equity ratio,%

Reported equity as a percentage of total assets .

The key figure is used to highlight SBB's financial stability.

PROPERTY DEFINITIONS**Number of properties**

The number of properties at the end of the period.

Number of sq.m.

Total area in the property portfolio at the end of the period.

GFA

Gross floor area.

Yield, %

Net operating income as a percentage of the real value of the properties at the end of the period. The calculation takes into account the properties' holding time.

The key figure is used to illustrate the level of return on the operating net in relation to the value of the properties.

Net operating income, SEK

Rental income less property costs.

Economic occupancy rate, %

Rental income in relation to rental value.

The key figure aims at facilitating the assessment of rental income in relation to the total value of possible lettable area.

EPRA Vacancy rate, %

The rental value of available leases divided by the rental value of the entire portfolio.

The key figure is calculated in accordance with the EPRA definition, which enables comparison with other companies.

EPRA Earnings, kr

Income from property management less deductions for estimated current tax attributable to the income from property management. Taxable management result refers to profit from property management less deductions for ia. tax-deductible depreciation and remodeling.

The key figure provides information on the management result calculated in a uniform manner for listed property companies.

Average contract length of social infrastructure properties, years

Remaining contract value in relation to annual rent for community properties.

The key figure aims to highlight SBB's rental risk.

Rental income, SEK

Charges for the period with deductions for rental losses and rental discounts.

Rental value, SEK

Contracted rents plus market value for vacant areas.

Market value of properties, SEK

Fair value of the properties at the end of the period.

Surplus ratio,%

Net operating income as a percentage of rental income for the period .

The key figure shows how much of the rental income remains after direct property costs

INVESTOR RELATIONS

Samhällsbyggnadsbolagets IR's activities should, through clear information disclosure, responsiveness and clear availability, promote good relations with the capital market's players, create trust in the company and thereby contribute to cost-effective financing in terms of a fair market valuation. IR activities and associated information disclosure shall be in accordance with applicable legislation, the Nasdaq regulations, the Swedish Financial Supervisory Authority's guidelines for stock exchange and MTF companies, the Swedish Code of Corporate Governance and SBB's guidelines for communication.

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Press releases, interim reports and annual reports are published and can be downloaded, in both Swedish and English (most), at the SBB's website (www.sbbnorden.se). There is also continuous information about the company, the share and financial statistics and the opportunity to subscribe to press releases and reports.

CALENDAR

Interim report Jan - March 2019

Monday, 29 April 2019

Annual general meeting 2018

Monday, 29 April 2019

Interim report Jan - June 2019

Wednesday, 10 July 2019

Interim report Jan - Sep 2019

Tuesday, 20 October 2019

Year-end report 2019

Wednesday, 19 February 2019



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Samhällsbyggnadsbolaget