



SBB announces a proposed directed Class D share issue and an offering of subordinated convertible notes in an expected deal size of approx. SEK 2.6bn

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Stockholm, 16 July 2020 – Based on the authorisation granted by the Annual General Meeting on 27 April 2020, the Board of Directors of Samhällsbyggnadsbolaget i Norden AB (publ) ("SBB" or the "Company") has resolved to carry out concurrently (i) an issue of subordinated mandatory convertible notes due 2023 (the "Notes") for a base amount of approximately SEK2.1 billion, with a SEK 650 million upsize option, convertible into new Class B shares of SBB, and (ii) a directed issue of Class D shares for approximately SEK 500 million (the "Capital Increase", and, together with the issue of the Notes, the "Offering"). The Company retains the flexibility to adjust the relative sizing of the Notes and the newly issued Class D shares in the Offering.

The Offering will be conducted without preferential subscription rights for existing shareholders in order to achieve the most cost and time-efficient capital raising possible.

The Offering is, among other things, contingent on resolution by the board of directors of SBB.

As part of the Offering, CEO and Founder of SBB, Ilija Batljan (via Ilija Batljan Invest AB), Fredrik Svensson and Sven-Olof Johansson support, and intend to participate in, the Offering.

Citigroup Global Markets Limited and J.P. Morgan Securities plc are acting as Joint Global Coordinators and Joint Bookrunners on the Offering. ABG Sundal Collier AB and Swedbank AB (publ) are also acting as Joint Bookrunners on the Offering.

Ilija Batljan, CEO and Founder of SBB commented: "In recent months of unprecedented market turbulence, SBB has continued to perform strongly, testament to the resiliency of its business model and quality of its tenant base, and has remained active in the transaction market, where we continue to deliver attractive disposals and acquisitions. As per our Capital Markets Day in June, we retain our commitment to our stated ambitious financial and strategic targets. With this combined offering of mandatory convertible notes related to the B-shares and separate Class D share issuance, SBB aims to further increase its financial flexibility which will allow SBB to accelerate the execution of its growth plans and to further strengthen its position as the leading social infrastructure property company in the Nordic region"

USE OF PROCEEDS

The Company intends to use the net proceeds from the Offering for general corporate purposes, to increase SBB's financial flexibility and to accelerate the achievement of its financial targets including a BBB+ rating in 1H 2021 and a loan-to-value ratio of below 50%. The net proceeds will also be used to further optimise the Company's portfolio by increasing its exposure to social infrastructure. Additionally, the Offering is a proactive measure being taken by the Company to further diversify its shareholder base.

CAPITAL INCREASE

The Capital Increase will be launched with immediate effect and will be carried out according to the placement agreement executed by the Company and the Joint Global Coordinators and Joint Bookrunners through a private placement by means of an accelerated bookbuild offering process directed at qualified investors.

Pricing and allocation of the Class D shares are expected to take place before the beginning of trading on Nasdaq Stockholm 09:00 AM CEST on 17 July 2020. The timing of allocation, pricing and closing of the Capital Increase is at the full discretion of SBB. The outcome of the Capital Increase, including the issue price and the final number of new shares, will be published in a subsequent press release.

The settlement of the Capital Increase is expected to take place on or around 21 July 2020.

MANDATORY CONVERTIBLE NOTES

The Notes will have a principal amount of SEK 1,000,000 each, will be issued at par and are expected to pay a coupon in the range of 6.5% and 7.0% per annum (payable semi-annually in arrear in equal instalments). The Notes will be mandatorily converted into new Class B shares of the Company on the maturity date (i.e. 24 July 2023), unless converted earlier at the option of the Company or the holders or upon satisfaction of specific events, in each case in accordance with the terms and conditions of the Notes.

The minimum conversion price of the Notes is to be equal to the reference share price, which is expected to be equal to the placement price per Class B share of the concurrent Delta Placement (as described below). The maximum conversion price is expected to be set at a premium of between 20.0% and 27.5% over the reference share price.

The Notes will be subordinated obligations of the Company as described in the terms and conditions of the Notes. The Company may, at its sole discretion, elect to defer (in whole or in part) any payment of interest on the Notes if certain conditions are met, as set out in the terms and conditions of the Notes. Arrears of interest may be satisfied at the option of the Company, in whole or in part, at any time, or mandatorily upon the occurrence of certain events, as described in the terms and conditions of the Notes.

Pricing and allocation of the Notes are expected to take place before the beginning of trading on Nasdaq Stockholm at 09:00 AM CEST on

17 July 2020. The timing of allocation, pricing and closing of the Notes is at the full discretion of SBB.

The settlement of the Notes is expected to take place on or around 24 July 2020 (the "Closing Date"). An application will be made for the admission to trading of the Notes on the Open Market segment (*Freiverkehr*) of the Frankfurt Stock Exchange within 90 days from Closing Date.

The Company has been advised by the Joint Global Coordinators that the Joint Global Coordinators and Joint Bookrunners may organise a simultaneous placement of existing Class B shares of SBB (the "Delta Placement") on behalf of certain prospective subscribers of the Notes who wish to sell these in short sales to purchasers procured by the Joint Global Coordinators and Joint Bookrunners in order to hedge the market risk to which they are exposed with respect to the Notes that they acquire in the Offering.

GENERAL

In the context of the Offering, the Company has agreed to lock-up arrangements vis-à-vis the Joint Global Coordinators and Joint Bookrunners on behalf of itself and its subsidiaries for a period commencing on the date hereof and ending 90 calendar days following the Closing Date, subject to customary exceptions (including an exception for Shares issued, transferred or disposed of by way of consideration for an acquisition or merger undertaken by the Company or any of its subsidiaries where the counterparty agrees to enter into an equivalent lock-up for the remainder of the lock-up period).

This announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important information" section of this announcement.

Stockholm, 16 July 2020

Samhällsbyggnadsbolaget i Norden AB (publ)

For further information, please contact:

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This information is information that Samhällsbyggnadsbolaget i Norden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on 16 July 2020, at 18:05 CEST.

About Samhällsbyggnadsbolaget i Norden AB (publ)

Samhällsbyggnadsbolaget i Norden AB (publ) (SBB) is the Nordic region's leading property company in social infrastructure. The Company's strategy is to long term own and manage social infrastructure properties in the Nordics and rent regulated residential properties in Sweden, and to actively work with property development. Through SBB's commitment and engagement in community participation and social responsibility, municipalities and other stakeholders find the Company an attractive long-term partner. The Company's series B shares (ticker SBB B) and D shares (ticker SBB D) are listed on Nasdaq Stockholm, Large Cap. The Company's preference shares (ticker SBB PREF) are listed on Nasdaq First North Premier Growth Market. Certified Adviser is Erik Penser Bank (contact: certifiedadviser@penser.se / +46 84638300).

Important information

NO ACTION HAS BEEN TAKEN BY THE COMPANY, THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS OR ANY OF THEIR RESPECTIVE AFFILIATES THAT WOULD PERMIT AN OFFERING OF THE NOTES, THE CLASS B SHARES OR THE CLASS D SHARES (TOGETHER, THE "**SECURITIES**") OR POSSESSION OR DISTRIBUTION OF THIS PRESS RELEASE OR ANY OFFERING OR PUBLICITY MATERIAL RELATING TO THE SECURITIES IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. PERSONS INTO WHOSE POSSESSION THIS PRESS RELEASE COMES ARE REQUIRED BY THE COMPANY AND THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

THIS PRESS RELEASE IS NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS, AUSTRALIA, JAPAN, SOUTH AFRICA OR IN ANY OTHER JURISDICTION WHERE TO DO SO WOULD BE UNLAWFUL OR REQUIRE REGISTRATIONS OR OTHER MEASURES. THIS PRESS RELEASE IS NOT AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF ANY OFFER TO BUY SECURITIES IN THE UNITED STATES OR IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL.

THE SECURITIES MENTIONED IN THIS PRESS RELEASE HAVE NOT BEEN AND WILL NOT BE REGISTERED IN THE UNITED STATES UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION.

THIS PRESS RELEASE AND THE OFFERING ARE ONLY ADDRESSED TO, AND DIRECTED IN, THE UNITED KINGDOM AND MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF THE PROSPECTUS REGULATION ("**QUALIFIED INVESTORS**"). FOR THESE PURPOSES, THE EXPRESSION "**PROSPECTUS REGULATION**" MEANS REGULATION (EU) 2017/1129.

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED ("**MIFID II**"); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE "**MIFID II PRODUCT GOVERNANCE REQUIREMENTS**"), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY "MANUFACTURER" (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE SECURITIES HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT: (I) THE TARGET MARKET FOR THE SECURITIES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS

ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE SECURITIES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE SECURITIES (A "**DISTRIBUTOR**") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE SECURITIES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL OR LEGAL SELLING RESTRICTIONS IN RELATION TO ANY OFFERING OF THE SECURITIES.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE SECURITIES.

THE SECURITIES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

IN ADDITION, IN THE UNITED KINGDOM THIS PRESS RELEASE IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, QUALIFIED INVESTORS (I) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") AND QUALIFIED INVESTORS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, AND (II) TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS PRESS RELEASE MUST NOT BE ACTED ON OR RELIED ON (I) IN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EEA, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PRESS RELEASE RELATES IS AVAILABLE ONLY TO (A) RELEVANT PERSONS IN THE UNITED KINGDOM AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS IN THE UNITED KINGDOM AND (B) QUALIFIED INVESTORS IN MEMBER STATES OF THE EEA.

ANY DECISION TO PURCHASE ANY OF THE SECURITIES SHOULD ONLY BE MADE ON THE BASIS OF AN INDEPENDENT REVIEW BY A PROSPECTIVE INVESTOR OF THE COMPANY'S PUBLICLY AVAILABLE INFORMATION. NEITHER THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS, NOR ANY OF THEIR RESPECTIVE AFFILIATES ACCEPT ANY LIABILITY ARISING FROM THE USE OF, OR MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF, THIS PRESS RELEASE OR THE COMPANY'S PUBLICLY AVAILABLE INFORMATION. THE INFORMATION CONTAINED IN THIS PRESS RELEASE IS SUBJECT TO CHANGE IN ITS ENTIRETY WITHOUT NOTICE UP TO THE CLOSING DATE.

EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT IT MUST BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE SECURITIES. NONE OF THE COMPANY OR THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS MAKE ANY REPRESENTATION AS TO (I) THE SUITABILITY OF THE SECURITIES FOR ANY PARTICULAR INVESTOR, (II) THE APPROPRIATE ACCOUNTING TREATMENT AND POTENTIAL TAX CONSEQUENCES OF INVESTING IN THE SECURITIES OR (III) THE FUTURE PERFORMANCE OF THE SECURITIES EITHER IN ABSOLUTE TERMS OR RELATIVE TO COMPETING INVESTMENTS.

THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS ARE ACTING ON BEHALF OF THE COMPANY AND NO ONE ELSE IN CONNECTION WITH THE OFFERING AND WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CLIENTS OF THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS OR FOR PROVIDING ADVICE IN RELATION TO THE SECURITIES OR THE OFFERING.

IN CONNECTION WITH THE OFFERING, THE JOINT BOOKRUNNERS AND ANY OF THEIR RESPECTIVE AFFILIATES ACTING AS AN INVESTOR FOR ITS OWN ACCOUNT MAY TAKE UP THE SECURITIES AND IN THAT CAPACITY MAY RETAIN, PURCHASE OR SELL FOR ITS OWN ACCOUNT THE SECURITIES OR ANY OTHER SECURITIES OF THE ISSUER OR RELATED INVESTMENTS, AND MAY OFFER OR SELL THE SECURITIES OR OTHER INVESTMENTS OTHERWISE THAN IN CONNECTION WITH THE OFFERING. THE JOINT BOOKRUNNERS DO NOT INTEND TO DISCLOSE THE EXTENT OF ANY SUCH INVESTMENT OR TRANSACTIONS OTHERWISE THAN IN ACCORDANCE WITH ANY LEGAL OR REGULATORY OBLIGATION TO DO SO. IN ADDITION, ANY JOINT BOOKRUNNER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY PERSON ACTING ON ITS OR THEIR BEHALF MAY ENTER INTO FINANCING ARRANGEMENTS (INCLUDING MARGIN LOANS, SWAPS, WARRANTS OR CONTRACTS FOR DIFFERENCE) WITH INVESTORS IN CONNECTION WITH WHICH SUCH JOINT BOOKRUNNER(S) OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY PERSON ACTING ON ITS OR THEIR BEHALF MAY FROM TIME TO TIME ACQUIRE, HOLD OR DISPOSE OF SECURITIES OF THE ISSUER, INCLUDING THE CLASS B SHARES OR THE CLASS D SHARES. IN ADDITION, EACH OF THE JOINT BOOKRUNNERS AND THEIR RESPECTIVE SUBSIDIARIES AND AFFILIATES MAY PERFORM SERVICES FOR, OR SOLICIT BUSINESS FROM, THE ISSUER OR MEMBERS OF THE ISSUER'S GROUP, MAY MAKE MARKETS IN THE SECURITIES OF SUCH PERSONS AND/OR HAVE A POSITION OR EFFECT

TRANSACTIONS IN SUCH SECURITIES.

EACH OF THE COMPANY, THE JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS, AND THEIR RESPECTIVE AFFILIATES EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO UPDATE, REVIEW OR REVISE ANY STATEMENT CONTAINED IN THIS PRESS RELEASE WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE.

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