



ARWIDSRO FASTIGHETS AB (PUBL)

**PROSPECTUS REGARDING THE LISTING OF
SEK 300,000,000**

**SUBORDINATED PERPETUAL FLOATING RATE CALLABLE GREEN
CAPITAL SECURITIES**

ISIN: SE0022241741

12 July 2024

This Prospectus (as defined herein) was approved by the Swedish Financial Supervisory Authority on 12 July 2024. This Prospectus is valid for a period of up to 12 months after the date of this approval. The Issuer's (as defined herein) obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.

Interest payable for the Green Capital Securities (as defined herein) is calculated by reference to STIBOR. As of the date of this Prospectus (as defined herein), the administrator (being Swedish Financial Benchmark Facility AB) is registered in the register of administrators and benchmarks maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of Regulation (EU) No. 2016/1011.

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Arwidsro Fastighets AB (publ) (the “**Issuer**” or “**Arwidsro**” or together with its direct and indirect subsidiaries (unless otherwise indicated by the context) the “**Group**”), reg. no. 556685-9053, in relation to the application for listing of green capital securities issued under the Issuer’s maximum SEK 600,000,000 subordinated perpetual floating rate callable green capital securities with ISIN SE0022241741 (the “**Green Capital Securities**”), issued on 12 June 2024 (the “**Issue Date**”) in accordance with the terms and conditions for the Green Capital Securities (the “**Terms and Conditions**”), on the sustainable bond list on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). Danske Bank A/S, Danmark, Sverige Filial (reg. no. 516401-9811) and Swedbank AB (publ) (reg. no. 502017-7753) have acted as joint bookrunners (the “**Bookrunners**”) and Swedbank AB (publ) (reg. no. 502017-7753) as issuing agent (the “**Issuing Agent**”).

This Prospectus has been prepared as well as approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the contents of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

This Prospectus is governed by Swedish law. Disputes concerning, or relating to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the SFSA’s website (www.fi.se) and the Issuer’s website (www.arwidsro.se).

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Green Capital Securities in any jurisdiction. It has been prepared solely for the purpose of admitting the Green Capital Securities to trading on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Green Capital Securities are therefore required to inform themselves about, and to observe, such restrictions. The Green Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States. The Green Capital Securities may not be offered, sold or distributed within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Issuer has not undertaken to register the Green Capital Securities under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Green Capital Securities in the future. Furthermore, the Issuer has not registered the Green Capital Securities under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Green Capital Securities comply with all applicable securities laws.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, references to “**SEK**” refer to the lawful currency in the Kingdom of Sweden.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Issuer’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Issuer believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section “Risk factors” below.

Amounts payable under the Green Capital Securities are calculated by reference to STIBOR, which is provided by the Swedish Financial Benchmark Facility. As of the date of this Prospectus, the Swedish Financial Benchmark Facility AB is registered in the register of administrators and benchmarks maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of Regulation (EU) No. 2016/1011 (“**BMR**”).

The Green Capital Securities may not be a suitable investment for all investors and each potential investor in the Green Capital Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Green Capital Securities, the merits and risks of investing in the Green Capital Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Green Capital Securities and the impact other Green Capital Securities will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Green Capital Securities; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the SFSA’s website (www.fi.se) and the Issuer’s website (www.arwidsro.se).

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RISK FACTORS

*The purpose of this section is to enable a potential investor to assess the relevant risks related to a potential investment in the subordinated perpetual floating rate callable green capital securities with ISIN SE0022241741 (the "**Green Capital Securities**") in order to make an informed investment decision. The below risk factors are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific, to Arwidsro Fastighets AB (publ) (the "**Issuer**" and together with its direct and indirect operating subsidiaries, the "**Group**") and the Green Capital Securities.*

The manner in which the Issuer and the Green Capital Securities are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as "low", "medium" or "high" and the magnitude of negative impact if it would occur as "low", "medium" or "high". The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not purported to be ranked in order of materiality.

Risk factors specific and material to the Issuer and the Group

Risks related to the Group's financial situation

Interest-rate risk

The Group's operations are to a large extent financed by loans, *inter alia*, loans from credit institutions and intra-group loan arrangements from the parent group. Interest expenses are therefore one of the Group's main cost items and the Group's interest bearing debt as of 31 March 2024 amounted to approximately SEK 2,442.9 million (excluding the Issuer's senior unsecured green bonds with ISIN SE0020354470 (the "**Existing Bonds**") and the Issuer's subordinated green capital securities with ISIN SE0015812300 (the "**Existing Securities**") and excluding shareholder loans) and the average fixed interest period (including the Existing Bonds and Existing Securities) was 23 months.

Besides the volume of the Group's interest bearing debt, the market interest rates are mainly affected by the level of current market interest rates and credit institutions' margins and the Group's strategy regarding interest rate fixation periods. As the levels of interest bearing debt increases, adverse changes of interest rates would negatively affect the Group's financial position and earnings and in turn the performance of the Issuer under the Green Capital Securities. To illustrate the interest risk, as per 31 March 2024, the Group's average interest rate amounted to, including cap, approximately 5.2 per cent. and if the interest rate would increase by one (1) percentage, the Group's interest costs would increase with approximately

SEK 4.4 million taking into account relevant interest caps (excluding interest payment on the Green Capital Securities).

The Issuer considers that the probability of unexpected increases in interest rate costs occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

Financing of the Group's operations

The Group finances its business with own equity, but also, especially in regards to acquisition of properties and property development projects, with loans from external creditors and by loans from the capital markets, see further risk factor “*Refinancing risks*” below. Loans from external creditors may be secured by way of pledges over properties held by the Issuer's subsidiaries. Consequently, the Group is dependent on obtaining appropriate financing in a timely manner in order to achieve growth and development. Furthermore, lack of financing or increased costs for financing resulting in inappropriate financing arrangements, could cause delays in or obstruct the Group's property development projects. If such circumstances occur, it could result in projects not being completed before loans are due for payment, or that increased costs for financing are not covered by any granted credit facilities.

In January 2020, the Swedish Financial Supervisory Authority (“**SFSA**”) decided to implement additional capital requirements for certain banks' exposure towards lending to the commercial real estate sector. The additional capital requirements have been applied during the SFSA's Supervisory Review and Evaluation Process 2020, being the supervisory process carried out by the SFSA to annually assess the major banks' capital and liquidity situations. The additional capital requirements have only affected certain major Swedish banks (Swedbank, Handelsbanken and Skandinaviska Enskilda Banken), and there is a risk that the costs for such additional capital requirements will need to be partially or fully borne by commercial real estate borrowers, such as the Issuer, by way of, *inter alia*, increased lending interest rates which could increase the cost of borrowing. An increased cost for lending (as regards higher margin) in combination with an increased market interest rate would negatively impact the Group's results of operations. If the development of market interest rate would significantly deviate from what is expected, the interest rate deduction limitations could result in an increased tax liability for the Issuer, which in turn would negatively impact the Group's earnings and financial position.

If the Issuer is not able to obtain financing, extension or increase of existing financing, refinancing, or is only able to obtain such financing on non-satisfactory terms, or if the market interest rates would increase as the refinancing opportunities decreases, it could have a material negative impact on the Issuer's earnings and financial position.

The Issuer considers that the probability of difficulties to obtain financing occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

Changes in value of properties

The Group's properties are reported at fair value (Sw. *verkligt värde*) and changes in value are described in the balance sheet. The Group's properties constitute a material part of the Group's total assets. As of 31 March 2024, the Group's consolidated property value, calculated at fair value, amounted to approximately SEK 4,395 million and the total assets amounted to around SEK 4,944 million. Twenty-five (25) per cent. of the Group's real property is subject to an external valuation by accredited valuation service providers on a quarterly basis, resulting in external valuations of one hundred (100) per cent. of the Group's real property on an annual basis. The valuation is carried out in accordance with the International Valuation Standards. Various factors may cause the Group to write down the fair value of its properties, which could negatively affect the Group's operations and financial position. Furthermore, the valuation frequency and coverage may change from time to time which could result in the value becoming more difficult to estimate for an investor, a financing counterparty or any third party interested in the valuation of the Group's properties.

If the value of the properties decreases, causing the Group to write down their value, it could result in a breach of covenants in loans taken up by the Group Companies from time to time. Such covenants may be related to, *inter alia*, the ratio between net interest bearing debt and property value (see risk factor "*Covenants in financing agreements*" below). If such breach is not cured, it could result in such loans being accelerated prior to maturity, thereby negatively affecting the liquidity of the Group. A material decrease of the market value of the properties would also have a negative impact on the Group's possibilities to dispose of its properties without incurring losses, which may negatively affect the Group's results of operations and financial position, and in turn the performance of the Issuer under the Green Capital Securities.

The Issuer considers that the probability of a decrease in value of its properties occurring is *medium*. If the risks would materialise, even if temporary, the Issuer considers the potential negative impact to be *low*.

Operating and maintenance suppliers

The Group develops and maintains properties within the grocery sector with complementary related services and goods, so called grocery-anchored properties, as well as community purpose properties and residential units with a limited amount of consumer tenants. The Group's various agreements with suppliers of goods and services for the maintenance and operation of the Group's properties are, taken

together, material. As the Group implements a quality over price approach when procuring such goods and services, there is a risk that the Group cannot procure high-quality services if the number of such high-quality service providers is limited or where existing suppliers with long-term contracts fail to deliver the preferred quality, without the Group being able to terminate such unfavourable supplier contract without incurring contractual penalties. If the Group's suppliers cannot maintain the preferred level of quality, it could lead to increased costs and decreased customer satisfaction, which in turn, especially if maintained over a prolonged period, would negatively affect the Group's operations and financial position.

The absolute majority of the services provided for the tenants such as electricity, water, heating are born by the tenants either directly (via own subscription/contract) or indirectly (contract held by the Group but passed on to the tenant). If the costs of these services continue to rise or to be reset at a higher level than normal it will affect the ability to increase rent.

The Issuer considers that the probability of such unexpected increase in cost occurring is *medium*. If the risk would materialise the Issuer considers the potential negative impact to be *low*.

Covenants in financing agreements

Certain of the Group's financing agreements contain, and may in the future contain, terms and conditions which impose restrictions on the Group's business. If the Issuer or a Group Company is in breach of any of its covenants (*e.g.* financial covenants) in its respective loan agreements, and such breach is not cured, it could result in loans being accelerated, leading to immediate repayment or the creditor's enforcement of security. For example, the terms and conditions for the Existing Bonds, contains financial covenants requiring certain minimum ratios as regards loan to value and interest coverage as well as certain levels of total equity in relation to total assets. For instance, in order to meet the maintenance test under the Existing Bonds, the Issuer's net loan to value may not exceed seventy-five (75) per cent. and the interest coverage ratio shall be equal to or higher than 1.50:1, meaning that such covenants must be fulfilled in order for the Issuer to maintain the financing under the Existing Bonds. Further, certain loan agreements contain cross-acceleration provisions, which, in case the relevant debt obligations cannot be served by the relevant borrower or guarantor, could trigger the acceleration of other payment obligations within the Group. Such default situations would bring about additional costs and may deteriorate the Group's access to financing. Depending on the relevant financing arrangement, a breach of any covenant as described above would negatively affect the Group's financial position and in turn the performance of the Issuer under the Green Capital Securities.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

Risks related to the Group's business activities and industry

Rental income and rental development

Rental income is the Group's main source of income whereby the Group is dependent on maintaining low levels of vacancies. The Group's rental income is also affected by contracted rental rates and the tenants paying rents in a timely manner. Rental rates, in turn, are affected by, *inter alia*, the supply and demand on the market and the level of the market rental rates.

The Group owns and develops grocery-anchored properties as well as community purpose properties and, to a limited extent, residential units with private tenants. The majority of the Group's properties are located outside of the metropolitan areas. As the Group's tenant base is limited to certain sectors and geographical areas, the Group is particularly susceptible to the supply and demand in such sectors and areas. For instance, there is a negative trend in relation to commercial property leases in the retail trade sector, as the vacancy rates have increased due to the closing of shops in main cities and urban areas. The Group's properties are mainly located in smaller cities where the negative trend currently is less prominent and compared to the retail trade sector, the grocery sector has been less influenced by the online sales trend driving closure of physical shops. Furthermore, the Group's target market includes locations where package delivery is made at grocery stores rather than by home delivery, resulting in higher turn-over for the grocery stores. However, there is a risk that the negative trend with increased vacancies will extend also to the grocery sector, which could cause rental income to decrease and consequently negatively affect the Groups results of operations and long-term profitability.

Certain of the Group's existing and future tenants in relation to the Group's community purpose properties operate in the public sector. For such public sector tenants, the rental income and vacancy rates are, among other factors, dependent on municipal budgets and the development of the local public sector. Should such budgets change, which may be due to, *inter alia*, political decisions or lack of public resources, it could negatively affect the demand for community purpose properties.

Increased vacancies and/or decreased rental rates will negatively affect the Group's earnings, as rental income represents the Group's main source of income. As of 31 March 2024, the Group's ten largest tenants represented about, 67 per cent. of the Group's total rental income. There is a risk that the Group's larger tenants do not renew or extend their lease agreements upon expiry and that the Group does not find new tenants, which in the long term could lead to a decrease in rental income and an

increase in vacancies. Further, there is a risk that lease agreements attached to newly acquired properties are short-term lease agreements that require the Issuer or a Group Company to re-negotiate and renew or extend the term of the lease agreements. Should such negotiations not result in renewal or extension of the lease agreements upon expiry, there is a risk that the vacancy rate of the Group increases, and that the rental income of the Group will decrease. This would in turn negatively affect the Group's results of operations and financial position.

The Issuer considers that the probability of large fluctuations and increases in vacancies, decreases in market rental rates or any other loss of rental income is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

Development projects

The Group engages in property development projects in relation to community purpose properties and residential. In identifying suitable development projects, the Group identifies land rights and building rights in relation to municipality controlled land (Sw. *markansvisning*) for the building of community purpose properties such as high schools and primary schools, day care providers and nursing homes, as well as residential. The project value shall, according to the Group's strategy, amount to at least SEK 50 million. In pursuing such development projects, the Group usually sets up special purpose vehicles (SPVs), the financing of which is mostly secured by pledges in the SPV-structure. The SPV is responsible for the construction works and the Group usually signs a completion insurance, securing delay, operation and stoppages. There is a risk that the projects are not completed in a timely manner or at all, which could render a breach under relevant financing agreements. Furthermore, there is a risk that any construction firms and/or operators appointed for the development projects fail to fulfil their obligations vis-à-vis the Group or causes damages to the Group's properties, which in turn could lead to increased costs and/or time-consuming legal proceedings, diverting the management's attention from the day-to-day business.

The projects are only pursued if at least ninety (90) per cent. of the property is leased, and the success of the Group's property development projects is therefore dependent on that lease agreements are concluded. The property development projects mainly involve community purpose properties and residential and, in general, a high proportion of tenants of community purpose properties are within the public sector. There is a risk that public sector tenants become subject to budgetary restrictions, causing a negative effect on demand for community purpose properties, or that changes in policy render such tenants unable to enter into agreements with the Group regarding future leases. Hence, there is a risk that a sufficient level of contracted leases cannot be reached resulting in that potential development projects cannot be

accepted or pursued. This could negatively affect the Group's growth potential and ability to compete in the community purpose property sector, which in turn would negatively affect the Group's results of operations and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

Acquisitions and disposals of assets

The Group's property portfolio constitutes the main assets of the Group. The acquisition and sale of properties or property-owning subsidiaries may lead to that attractive directly or indirectly owned property assets are disposed of and less attractive directly or indirectly owned property assets are acquired, resulting in a decrease in the market value of the Group's property portfolios. Furthermore, if properties are sold at a lower price than expected or if the market value of the properties decreases, this could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Green Capital Securities.

Furthermore, acquisitions and divestments of real estate are associated with risks and uncertainties such as future loss of tenants including contractual requirements on occupancy rates, potential environmental impact from activities carried out on the property as well as decisions from authorities. When acquiring real estate companies, there are risks relating to, *inter alia*, tax, environmental issues and disputes.

As the Group continually acquires companies, the Group is exposed to the risk of unexpectedly increased transaction costs due to, for example, cancelled acquisitions. In acquiring companies, the Group is also exposed to integration risks, related to increased merging costs, organisational costs including personnel as well as unexpected costs related to management of new tenants, unforeseen environmental clean-up costs or costs related to unforeseen real estate property conditions.

Increased costs related to misjudgements in relation to acquisitions and disposals, the materialisation of inherent risks and increased transaction and/or integration costs would negatively affect the Group's financial position and earnings and in turn the performance of the Issuer under the Green Capital Securities.

The Issuer considers that the probability of increased costs as described above, materialisation of inherent risks and other risks described above occurring is *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

Legal and regulatory risk

Holding company risks

The Issuer is a holding company and the Group's operations are mainly run through its subsidiaries. The Issuer's ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries to transfer available funds to it, and hence the Issuer is dependent on its subsidiaries to fulfil its obligations under the Green Capital Securities. The transfer of funds to the Issuer from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary, including the relevant subsidiaries' financing arrangements. Furthermore, the Group Companies are legally separate entities and distinct from the Issuer and have no obligation to fulfil the Issuer's obligations vis-à-vis its creditors. If the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Green Capital Securities. In addition, the parent group has provided intra-group loans to the subsidiaries. The loans are constructed as subordinated on-demand arrangements with ten (10) per cent. interest rate that is repaid simultaneously as the loan. There is a risk that the subsidiaries in their capacity as debtors cannot repay the loans or its interest, which could lead to losses for the parent group as creditor. Furthermore, as such loans are subordinated, any claim from the parent group would be subordinated the claims from the relevant subsidiary's other creditors in the event of a subsidiary's insolvency. This could in turn impair the Group's and the Issuer's liquidity and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *high*.

Environmental and social risks

Reputational risk

Operating in the public property sector, attracting customers that, in contrast to private customers, are subject to public scrutiny, the Group is dependent on its good reputation. The Group also actively pursues sustainability work including certification of properties, which, among other things, is an important feature in order to attract certain tenants that value sustainability. As an example, technical issues, maintenance problems or adverse reporting or failures in relation to the Group's community engagement image could damage the Group's reputation, resulting in, for example, difficulties in attracting or retaining tenants or access to debt or other financing which could impair the Group's growth potential. Furthermore, the Group could be negatively exposed in public media, with a limited ability to anticipate or respond to such publications, making it more difficult to remedy impaired reputation.

Damage to the Group's reputation could lead to loss of income or loss of growth potential, which may negatively affect the Group's operations and earnings and in turn the performance of the Issuer under the Green Capital Securities.

The Issuer considers that the probability of impaired reputation occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

Risk factors specific and material to the Green Capital Securities

Risks related to the nature of the Green Capital Securities

The Green Capital Securities are contractually and structurally subordinated to most of the Issuer's liabilities

The Green Capital Securities represent deeply subordinated debt obligations of the Issuer. This means that if the Issuer should be subject to any liquidation (Sw. *likvidation*), bankruptcy (Sw. *konkurs*), restructuring (Sw. *företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings, the investors normally receive payment after all other creditors have been paid in full. Hence, in relation to such event occurring, investors' claims for the principal amount of their Green Capital Securities and any accrued and unpaid interest will rank *pari passu* with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities (as defined in the terms and conditions of the Green Capital Securities (the "**Terms and Conditions**")). Furthermore, claims will rank junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness (as defined in the Terms and Conditions). In relation to a liquidation or bankruptcy, claims will however rank in priority to all present and future claims in respect of the shares of the Issuer and any other obligation of the Issuer expressed to rank junior to the Green Capital Securities or any Parity Securities. As the investors only will have an unsecured claim towards the Issuer, the investors may not recover any or all of their investment.

In the event of a company re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (2022:964) om företagsrekonstruktion*) ("**Issuer Re-construction**"), unsecured debt could be subject to a mandatory write-down provided that a qualified majority of the unsecured creditors has approved such write-down in a debt composition. Furthermore, claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction. Consequently there is a significant risk that holders of Green Capital Securities' (the " **Holders**") recovery in case of an Issuer Re-construction would be limited.

There is no restriction in the Terms and Conditions in relation to incurring, issuing or guaranteeing debt ranking senior to or *pari passu* with the Green Capital

Securities. The Issuer and its subsidiaries may incur additional indebtedness or issue guarantees in respect of indebtedness or guarantees of third parties. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such subsidiary or joint venture before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Green Capital Securities are structurally subordinated to the liabilities of such subsidiaries and joint ventures. Incurring such additional indebtedness may reduce the amount (if any) recoverable by investors if the Issuer is subject to any dissolution, winding-up, liquidation, restructuring, administrative or other bankruptcy or insolvency proceedings and may increase the likelihood of that interest payments under the Terms and Conditions are deferred, at the potential detriment on an investor.

Certain of the Group Companies have incurred, and may in the future incur, loans from the Issuer's direct and indirect shareholders and affiliates of such shareholders (the "**Shareholder Loans**"). Pursuant to a subordination agreement entered into on or about the issuance of the Green Capital Securities, payment obligations under such Shareholder Loans are contractually subordinated to the Issuer's obligations under the Green Capital Securities.

However, in the event of an involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer, a shareholder creditor or intragroup debtor, there is a risk that the contractual subordination of Shareholder Loans is disputed and that payments made to the Agent under turnover provisions become subject to claw-back claims.

The Issuer considers the probability of the above risks occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *high*.

Interest rate risks and benchmarks

The Green Capital Securities' value depends on several factors, one of the more significant over time being the level of market interest. The Green Capital Securities will bear a floating rate interest of STIBOR plus a certain margin and the interest rate is therefore adjusted for changes in the level of the general interest rate. Hence, there is a risk that increased general interest rate levels significantly affect the market value of the Green Capital Securities.

The determining interest rate benchmarks, such as STIBOR has been subject to regulatory changes such as the Benchmarks Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial and contracts or to measure the performance of investment funds) (the "**BMR**"). The implementation of the BMR will lead to that certain previously used benchmarks have been and may be discontinued, leading to that, *inter alia*, existing financing arrangements may need

to be renegotiated or terminated. There is a risk that also STIBOR will be discontinued, or that alternative benchmark rates will dominate market practice, leading to uncertainties in relation to the interest rate payable in relation to the Green Capital Securities. Increased or altered regulatory requirements and risks associated with the BMR (as amended) involve inherent risks as the effects cannot be fully assessed at this point in time. There is a risk that developments in relation to STIBOR cause volatility in STIBOR, which would affect the interest rate for the Green Capital Securities.

Should STIBOR be discontinued, the Terms and Conditions provides for an alternative calculation of the interest rate for the Green Capital Securities. There is a risk that such alternative calculation results in interest payments less advantageous for the Holders of the Green Capital Securities or that such interest payment do not meet market interest rate expectations.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

Risks related to the admission of the Green Capital Securities to trading on a regulated market

Risks related to the labelling of the Green Capital Securities

The Issuer intends to use an amount equivalent to the net proceeds of the issue of the Green Capital Securities and any Subsequent Green Capital Securities in accordance with the Issuer's green finance framework (the "**Green Finance Framework**") including, but not limited to, repurchasing and/or redeeming the Existing Securities. As there is currently no clear definition of as to what constitutes, a "green" or an equivalently-labelled project, there is a risk that any projects, assets or uses defined in the Green Finance Framework will not meet current or future investor expectations regarding such "green" or other equivalently-labelled performance objectives. Furthermore, future developments or legal requirements as to the definitions of "green", such as the entering into force of unified classification systems in relation to sustainability adopted by the European Union, render the eligible projects for the Green Capital Securities, as described in the Green Finance Framework, obsolete. This could lead to present or future investor expectations or requirements as regards any investment criteria or guidelines whether according to applicable law or regulations or by such investor's own by-laws, governing rules or investment portfolio mandates cannot be satisfied.

Furthermore, a failure to apply the proceeds in accordance with the Green Finance Framework could result in investors in the Green Capital Securities being in breach of investment criteria or guidelines with which an investor is required to comply

which could result in remedies under the relevant investment criteria or guidelines, leading to claims or reputational damage.

The Issuer appointed S&P Global/Shades of Green (“**S&P**”) for an independent, research-based evaluation of the Issuer’s Green Finance Framework, which resulted in a second opinion dated in July 2023 (the “**Second Opinion**”). S&P is neither responsible for how the Green Finance Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is S&P responsible for the outcome of the investments described in the Green Finance Framework. There is a risk that the suitability or reliability of the Second Opinion is challenged by the Issuer, a potential investor, the Holders, or any third party. Furthermore, S&P is currently not subject to any regulatory regime or oversight and there is a risk that such providers will be deemed as not being reliable or objective in the future.

As the market conditions for green bonds and capital securities is rapidly changing, there is a risk that current or future investor expectations will not be met which could negatively affect the secondary trading of the Green Capital Securities. This could lead to Holders being unable to trade their Green Capital Securities at attractive terms, or at all, or that any possession of Green Capital Securities is connected to reputation damage.

The Issuer considers that the probability of the Issuer facing adverse effects relating to the labelling of the Green Capital Securities as “green” is *low*. If the effects would materialise, the Issuer considers the potential negative impact as *medium*.

Risks related to admission to trading

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that the Green Capital Securities are listed on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within certain stipulated time periods (each as defined in the Terms and Conditions). There is a risk that the Green Capital Securities will not be admitted to trading on the relevant market place within the intended time frames or at all. If the Issuer fails to procure listing in time, investors holding Green Capital Securities on an investment savings account (Sw. *ISK* or *IS-konto*) will no longer be able to hold the Green Capital Securities on such account, thus affecting such investor’s tax situation.

In order to be eligible for listing on the Sustainable Bond List of Nasdaq Stockholm, certain commercial criteria have to be met, including the filing of the Green Finance Framework and any external review, such as the Second Opinion. The Green Capital Securities are not de-listed if such requirements are not met, but there is a risk that the Green Capital Securities are removed from the Sustainable Bond List of Nasdaq Stockholm and are instead listed on the Corporate Bond List of Nasdaq Stockholm.

Should such removal of the Green Capital Securities occur, there is a risk that the expectations of investors, insofar such expectations are related to the listing on the Sustainable Bond List of Nasdaq Stockholm, are not met, which in turn could impair the secondary trading in the Green Capital Securities, since certain investors may not allocate investments to non-green investments.

The Issuer considers that the probability of the risks described above is *low*. If the effects would materialise, the Issuer considers the potential negative impact as *low*.

Risks related to the Holders' rights and representation

Investors in the Green Capital Securities have very limited rights in relation to the enforcement of payments on the Green Capital Securities

If a default is made by the Issuer for a period of thirty (30) days or more in relation to the payment of any interest, principal or premium in respect of the Green Capital Securities which is due and payable, the rights of the investors in respect of the Green Capital Securities are limited to instituting proceedings for an Issuer Winding-up (as defined in the Terms and Conditions) and the investors may prove and/or claim in respect of the Green Capital Securities in such Issuer Winding-up.

Whilst the claims of the investors in an Issuer Winding-up are for the principal amount of their Green Capital Securities together with any Deferred Interest (as defined in the Terms and Conditions) and any other accrued and unpaid interest, such claims will be subordinated as stated above, claims in respect of the Green Capital Securities would accordingly rank junior to claims in respect of unsubordinated obligations of the Issuer in the event of an Issuer Winding-up. The investors shall not be entitled to accelerate payments of interest or principal under the Green Capital Securities in any circumstances outside an Issuer Winding-up.

Furthermore, whilst the investors may institute other proceedings against the Issuer to enforce the terms of the Green Capital Securities, the Issuer shall not, by virtue of such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. Accordingly, the investors' rights of enforcement in respect of payments under the Green Capital Securities are very limited.

The Issuer considers that the probability of the above risks occurring is low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

The Green Capital Securities constitute perpetual obligations

The Green Capital Securities are perpetual meaning that the Green Capital Securities have no specified maturity date. The Issuer is not obliged to redeem the Green Capital Securities at any time and investors have no option to redeem the Green Capital Securities at any time. The Issuer may only redeem the Green Capital Securities under certain circumstances.

As a result, a potential investor may be required to bear financial risks of the investment in the Green Capital Securities for a long period of time and may not recover its investment before a redemption of the Green Capital Securities (if any) at the discretion of the Issuer (in particular if there is no active trading on the secondary market). A potential investor may hence lose the whole, or part of, its investment in the event the Issuer chooses to not redeem the Green Capital Securities.

The Issuer considers that the probability of the above risks occurring is low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Deferral of interest payment

The Issuer may, at its sole discretion by giving notice to the Holders of Green Capital Securities, the Agent and the Issuing Agent (as defined in the Terms and Conditions) before the relevant interest payment date, elect to defer any interest payment, in whole or in part, which would otherwise be due on any interest payment date. If interest is deferred in accordance with the Terms and Conditions, the Issuer has no obligation to make such payment on the relevant interest payment date and any such non-payment of interest does not constitute a default or any other breach of obligations under the Green Capital Securities.

As the Green Capital Securities carry no voting rights with respect to general meetings of the Issuer, the investors cannot influence any decisions by the Issuer to defer payments or to optionally settle outstanding payments. As the Green Capital Securities are perpetual, the lack of availability to influence deferral of interest payments could impact investors' position and Green Capital Securities during a prolonged period of time and in a manner that would be undesirable for them.

An actual deferral of interest payment may have an adverse effect on the market price for the Green Capital Securities. In addition, the availability to defer interest may result in that the market price for the Green Capital Securities is more volatile than otherwise would be the case for market prices of other securities in respect of which interest accrues over pre-determined interest periods. Furthermore, the possibility to defer interest payments may expose the investors to fluctuations in the Issuer's financial position and may result in that the yields from the Green Capital Securities are less foreseeable.

The Issuer considers that the probability of the above risks occurring is low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

THE GREEN CAPITAL SECURITIES IN BRIEF

This section contains a general and broad description of the Green Capital Securities. It does not claim to be comprehensive or cover all details of the Green Capital Securities. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions for the Green Capital Securities, before a decision is made to invest in the Green Capital Securities.

Concepts and terms defined in section “*Terms and Conditions for the Green Capital Securities*” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

General

Issuer	Arwidsro Fastighets AB (publ), reg. no. 556685-9053, Humlegårdsgatan 20, 114 46 Stockholm.
Resolutions, authorisations and approvals	The Issuer’s board of directors resolved to issue the Green Capital Securities on 29 May 2024.
The Green Capital Securities offered	As at the date of this Prospectus, Green Capital Securities in an aggregate amount of SEK 300,000,000 have been issued.
Nature of the Green Capital Securities	The Green Capital Securities constitute debt instruments (Sw. <i>skuldförbindelser</i>), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i>).
Number of Green Capital Securities	As at the date of this Prospectus, 240 Green Capital Securities have been issued and admitted to trading following the approval of this Prospectus.
ISIN	SE0022241741.
Issue Date	12 June 2024.
Price	All Green Capital Securities issued on the Issue Date have been issued at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
Nominal Amount	The Green Capital Securities have a nominal amount of SEK 1,250,000 and the minimum permissible

investment upon issuance of the Green Capital Securities is SEK 1,250,000.

Denomination

The Green Capital Securities are denominated in SEK.

Status of the Green Capital Securities

The Green Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Green Capital Securities against the Issuer are subordinated as described below.

In the event of a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders shall, in respect of their Green Capital Securities, have a claim for the principal amount of their Green Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank: (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; (ii) senior to all present and future claims in respect of (A) the share capital of the Issuer; (B) all Shareholder Loans; and (C) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Green Capital Securities or any Parity Securities; and (iii) junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer; and all Subordinated Indebtedness.

In the event of a company re-organisation (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (2022:964) om företagsrekonstruktion*), the Holders shall, in respect of their Green Capital Securities, have a claim for the principal amount of their Green Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank: (i) *pari passu* without any preference among themselves and with any present or future

claims in respect of obligations of the Issuer in respect of Parity Securities; (ii) senior in right of payment to any present and future claims of all Shareholder Loans; and (iii) junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.

Use of Proceeds

An amount equivalent to the Net Proceeds (*i.e.* the proceeds from the issuance of any Green Capital Securities after deduction has been made for transaction costs payable by the Issuer in connection with the issuance and listing of such Green Capital Securities) and any Subsequent Issue shall be applied by the Issuer in accordance with the Issuer's Green Finance Framework including, but not limited to, a full or partial repurchase and/or redemption of the Issuer's existing green capital securities.

Interest rate

Interest Rate

Subject to any replacement of STIBOR in accordance with Clause 19 (*Replacement of Base Rate*) of the Terms and Condition, Interest on the Green Capital Securities is paid at a rate equal to the sum of (i) three (3) months STIBOR, plus (ii) the applicable Margin.

Margin

The Margin corresponds to:

- (a) from (but excluding) the First Issue Date to (and including) the First Step-up Date, 6.00 per cent. *per annum*;
- (b) from (but excluding) the First Step-up Date to (and including) the Second Step-up Date, 9.00 per cent. *per annum*;
- (c) from (but excluding) the Second Step-up Date to (and including) the Third Step-up Date, 10.00 per cent. *per annum*; and
- (d) from (but excluding) the Third Step-up Date to (and including) the Redemption Date, 11.00 per cent. *per annum*,

in each case *plus* 5.00 percentage units *per annum* with effect from (but excluding) the Change of Control Step-up Date, if the Issuer does not elect to redeem the Green Capital Securities in accordance with Clause 12.5 (*Voluntary redemption due to a Change of Control Event*) of the Terms and Conditions following the occurrence of a Change of Control Event.

Default Interest

If the Issuer fails to pay any amount payable by it pursuant to Clause 11.3 (*Mandatory settlement of Deferred Interest*) or Clause 12 (*Redemption and repurchase of the Green Capital Securities*) (except for Clause 12.1 (*No maturity*), Clause 12.2 (*The Group Companies' purchase of Green Capital Securities*) and Clause 12.5 (*Cancellation of Green Capital Securities*)) of the Terms and Conditions on its due date, default interest of two (2) per cent. per annum shall, in addition to the applicable Interest Rate, accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

Interest Payment Dates

Subject to optional interest payment deferral, 12 March, 12 June, 12 September and 12 December each year (with the first Interest Payment Date being on 12 September 2024 and the last Interest Payment Date being the relevant Redemption Date). Interest will accrue from, but excluding, the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or, if the Green Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date).

Deferral of Interest Payments

The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date

on which the Green Capital Securities are to be redeemed) by giving notice of such election to the Holders in accordance with Clause 25 (*Notices and press release*) of the Terms and Conditions, the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Such deferral of an Interest Payment shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) under the Terms and Conditions by the Issuer under the Green Capital Securities or for any other purpose.

Optional settlement of Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Clause 25 (*Notices and press release*) of the Terms and Conditions, the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest. Any such notice shall state the date fixed for the payment and the relevant Record Date and is irrevocable.

Mandatory settlement of Deferred Interest The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates: (i) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs; (ii) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and (iii) the date on which the Green Capital Securities are redeemed or repaid in accordance with Clause 12 (*Redemption and repurchase of the Green Capital Securities*) or Clause 15 (*Default and Enforcement*) of the Terms and Conditions.

See further Clause 11.3 (*Mandatory settlement of Deferred Interest*) of the Terms and Conditions.

Redemption and repurchase

No maturity	The Green Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Green Capital Securities in the circumstances described in Clause 12 (<i>Redemption and repurchase of the Green Capital Securities</i>) of the Terms and Conditions. The Green Capital Securities are not redeemable at the option of the Holders at any time.
The Group Companies' purchase of Green Capital Securities	The Issuer or any other Group Company may, subject to applicable regulations, at any time and at any price purchase Green Capital Securities in the market or in any other way. Green Capital Securities held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with (i) a full redemption of the Green Capital Securities or (ii) a Substantial Repurchase Event.
Voluntary redemption by the Issuer (call option)	The Issuer may elect to redeem all, but not some only, of the outstanding Green Capital Securities in full on the First Call Date or on any Interest Payment Date falling thereafter at a price per Green Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.
First Call Date	Means the date falling four (4) years after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.
Voluntary redemption due to a Special Event	Upon the occurrence of a Special Event, the Issuer may redeem all, but not some only, of its Green Capital Securities at any time at a price per Green Capital Security equal to: (i) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; or (ii) if

	<p>the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount, in each case together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.</p>
<p>Voluntary redemption due to a Change of Control Event</p>	<p>Upon a Change of Control Event occurring, the Issuer may, no later than the Change of Control Step-up Date, redeem all, but not some only, of its Green Capital Securities at an amount equal to: (i) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; and (ii) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount, in each case together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.</p> <p>See further Clause 12.5 (<i>Voluntary redemption due to a Change of Control Event</i>) in the Terms and Conditions.</p>
<p>Cancellation of Green Capital Securities</p>	<p>All Green Capital Securities which are redeemed and all Green Capital Securities purchased and elected to be cancelled will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Holders in accordance with Clause 25 (<i>Notices and press release</i>) of the Terms and Conditions, the Agent and the Issuing Agent of any such cancellation and for so long as the Green Capital Securities are admitted to trading on Nasdaq Stockholm and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm (or any other relevant Regulated Market on which the Green Capital Securities are admitted to trading) of the cancellation of any Green Capital Securities.</p>
<p>Miscellaneous</p>	
<p>Transfer restrictions</p>	<p>The Green Capital Securities are freely transferable but the Holders may be subject to purchase or transfer</p>

restrictions with regard to the Green Capital Securities, as applicable, under local regulation to which a Holder may be subject. All Green Capital Securities transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Green Capital Securities transferees upon completed transfer.

The Green Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements.

Listing

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that: (i) the Initial Green Capital Securities are admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days after the First Issue Date; and (ii) the Green Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon. The latest date for admitting the Green Capital Securities to trading on Nasdaq Stockholm is on 12 July 2024. The total expenses of the admission to trading of the Green Capital Securities are estimated to amount to SEK 100,000.

Agent

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90, Stockholm, Sweden. The Agent's rights and obligations can be found in the Terms and Conditions for the Green Capital Securities, which are available on the Issuer's website www.arwidsro.se and are contained in this Prospectus.

Governing law of the Green Capital Securities Swedish law.

Time-bar

The right to receive repayment of the principal of the Green Capital Securities shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of

interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment.

Risk factors

Investing in the Green Capital Securities involves substantial risks and prospective investors should refer to section “*Risk Factors*” for a discussion of certain factors that they should carefully consider before deciding to invest in the Green Capital Securities.

Green Capital Securities

The Green Finance Framework dated May 2023 applies to the Green Capital Securities. The Issuer’s Green Finance Framework may from time to time be subject to amendments by the Issuer. Any such amendments after the Issue Date will not be applicable to the Green Capital Securities and the Holders. A failure by the Issuer to apply the Net Proceeds of the Green Capital Securities in accordance with the Green Finance Framework does not give the Holders a right to require that the Issuer shall repurchase or redeem any of their Green Capital Securities. The relevant Holders are in such case not entitled to early repayment or repurchase of Green Capital Securities or other compensation. For more detailed information about the Issuer’s currently Green Finance Framework, please see the Issuer’s website: www.arwidsro.se. The Green Finance Framework dated May 2023 has been developed in alignment with the Green Bond Principles published in June 2021 (with June 2022 Appendix I) established by International Capital Markets Association (ICMA). The Green Finance Framework dated May 2023 has been evaluated in July 2023 by the independent research firm S&P Global (Shades of Green) which rated the framework as “Medium Green” with the positive addition that “Governance” is now improved to “Excellent”.

The Green Finance Framework dated May 2023 is adapted to the four recommended components of the Green Bond Principles; (i) use of proceeds, (ii) process for project/asset evaluation and selection, (iii)

management of proceeds and (iv) reporting. Any unallocated proceeds may temporarily be placed in the liquidity reserve or any other treasury business and managed accordingly by Arwidsro. Should there be any unallocated proceeds, Arwidsro strives to allocate them within one year.

In accordance with the Green Finance Framework dated May 2023, an amount equivalent to the Net Proceeds from the Green Capital Securities shall be used to finance or re-finance, in whole or in part, a portfolio of green eligible projects ("**Green Eligible Projects**"). Green eligible projects are both capital expenditures/ CAPEX (could either be reported in the income statement or capitalized on the balance sheet) and operational expenditures/ OPEX. Green Eligible Projects include (i) green buildings, including, new buildings (built after 31 December 2020), existing buildings (built before 31 December 2020), and major renovations and (ii) energy efficiency relating to direct costs such as installation of onsite solar panels, converting to LED lighting, heat pumps, improvements in ventilation systems, extension of district heating and cooling systems, installation of infrastructure for electric cars (electric charging points).

The net proceeds of the Green Capital Securities will not be used to finance fossil fuel energy generation, nuclear energy generation, the weapons and defense industries, potentially environmentally negative resource extraction, gambling or tobacco.

The selection of Green Eligible Projects is managed by a dedicated group, the Green Finance Committee ("**GFC**"). Members of the GFC consist of the Chairman, CEO, CFO, Head of Sustainability, and the Head of Transactions of Arwidsro. All decisions are made in consensus, and that applies to the selection process of Green Eligible Projects as well. A list of Green Eligible Projects is kept by the Finance Department which is responsible for making sure this

list is up to date. The list of Eligible Green Projects is monitored by GFC on a regular basis during the term of the Green Capital Securities to ensure that the proceeds are sufficiently allocated to Eligible Green Projects. Swedbank AB (publ) has acted as advisor to Arwidsro in the establishment of the Green Finance Framework dated May 2023. Further, the Green Finance Framework is reviewed by an impartial firm (S&P Global (Shades of Green)), which has provided a second opinion to confirm its alignment with the applicable principles.

To enable investors, lenders, and other stakeholders to follow the development of the Green Eligible Projects funded by Green Financing Instruments (as defined in the Green Finance Framework dated May 2023) (including the Green Capital Securities), a Green Finance Report will be made available on the Issuer's website. The Green Finance Report will include an allocation report and an impact report and will be published annually as long as there are Green Financing Instruments outstanding.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview of the Issuer

The Issuer's legal and commercial name is Arwidsro Fastighets AB (publ) and it is domiciled in Stockholm municipality, with Swedish reg. no. 556685-9053. The Issuer was formed and registered with the Swedish Companies Registration Office on 16 September 2005. The Issuer carries out its business in accordance with Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

<i>Issuer/trade name</i>	Arwidsro Fastighets AB (publ).
<i>Legal form</i>	Public limited liability company.
<i>Corporate registration number</i>	556685-9053.
<i>LEI-code</i>	5493007SW4YDMKWL8460.
<i>Incorporated</i>	On 29 August 2005.
<i>Registered</i>	On 16 September 2005.
<i>Head office</i>	Municipality of Stockholm.
<i>Visitors address</i>	Humlegårdsgatan 20, 114 46 Stockholm.
<i>Phone number</i>	+46 (0)8-545 673 00.
<i>Website</i>	www.arwidsro.se (the information provided at the Issuer's website, does not form part of this Prospectus and has not been scrutinised or approved by the SFSA, unless explicitly incorporated by reference into this Prospectus).
<i>Operational objective</i>	The Issuer shall own, structure and develop commercial real estate in the segments defensive grocery, community properties and housing residence.

Organisational structure

The Issuer is the parent company of several operating and property owning companies as set out in the table below. The Issuer's main objects is to be the holding

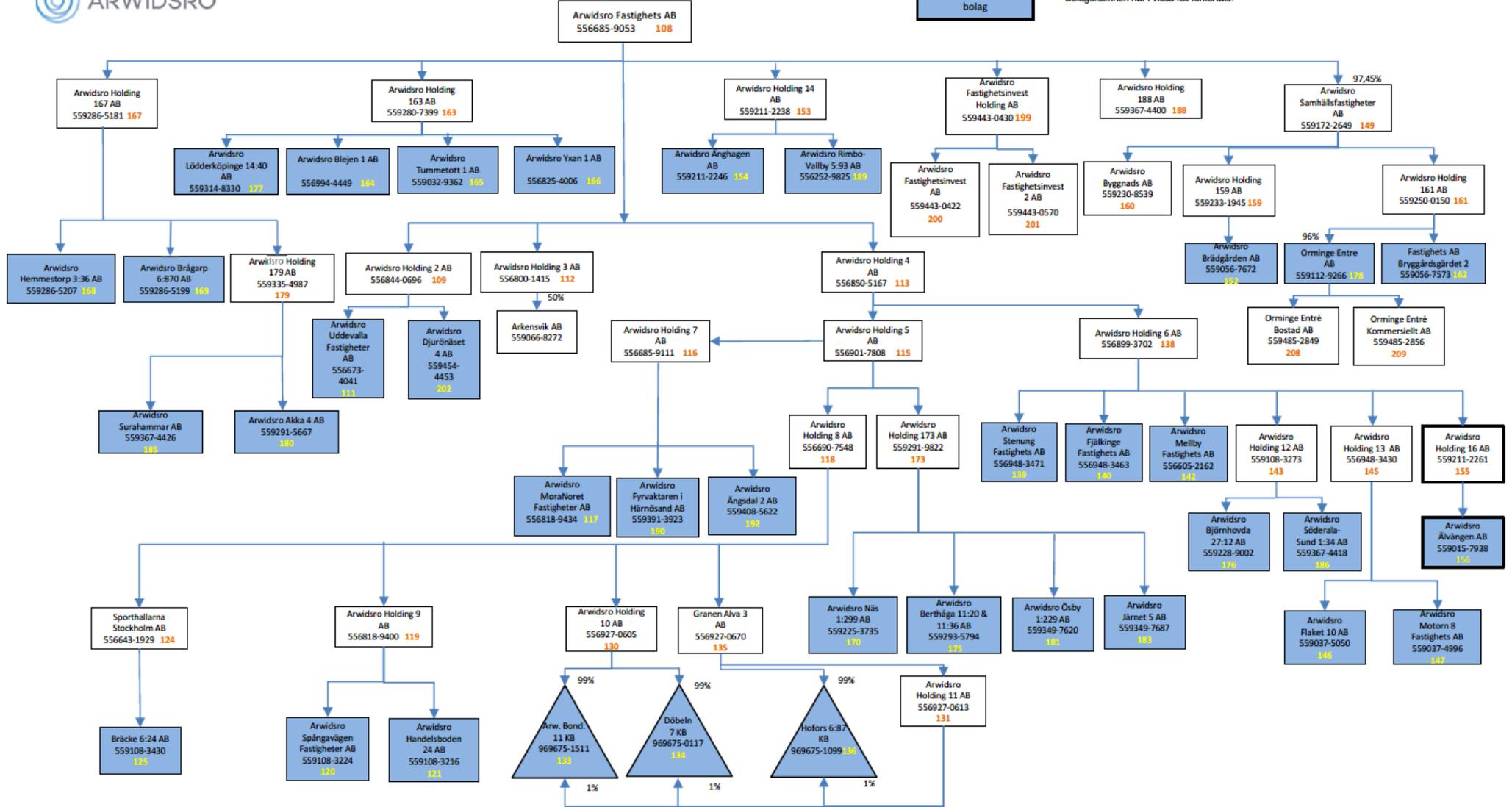
company of the Group's real estate business. The main business operations are carried out by the Issuer's operating subsidiaries. The Group's organisational structure is set out in the chart below.



Arwidrsro Fastighets AB Koncernen 2024-06-07

Fastighetsägande bolag

• Endast delägda bolag anges med procentsats.
• Bolagsnamnen har i vissa fall förkortats.



Since the majority of the revenue of the Group is derived from the Issuer's operational subsidiaries, the Issuer is dependent upon its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

History and development of the Group

The below table sets out a non-exhaustive list of certain significant steps in the development of the Group.

- 1979** The Group was formed by Per Arwidsson
- 1980s** Several properties were acquired under the company name “Convector”. The property holdings were focused around residential properties.
- 1992-1993** Divestments of property assets from “Convector” were carried out, and after the financial crisis, properties are again acquired under the company name “Granen”.
- 2000s** “Granen” continues its growth journey, both by acquisition of property assets and within property development.
- 2017** The Group changed its name to “Arwidso” and underwent a transformation during which a major part of properties within the retail segment.
- 2019** The new segment community purpose properties, “Samhällsfastigheter” is established, by acquisitions of properties to be developed for community purpose services.
- 2020** The Group adopted its first Green Finance Framework and issued green bonds. Several acquisitions were carried out.
- 2021** The Group issued green capital securities. Several acquisitions were carried out.
- 2022** The Group issued senior unsecured green bonds. Several acquisitions were carried out.
- 2023** The Group's adopts a green finance framework and receives a "Green Finance Second Opinion" from S&P Global (Shades of Green) in which it is confirmed that the company's continued rating is "Medium Green" with the positive addition that "Governance" is now improved to "Excellent". The Group enters into certain credit facilities agreement to strengthen its liquidity and financial position.
- 2024** The Group issued senior secured callable floating rate green bonds (the "**Existing Bonds**"). Several acquisitions were carried out.

Business model

The Issuer’s business model is to own, structure and develop commercial real estate in the segments defensive grocery, community properties and residential properties. The Group develops and maintains properties within the grocery sector with complementary related services and goods, so called grocery-anchored properties, as well as community purpose properties and residential properties.

Business operations

The Issuer is the holding company of a real estate group operating within the real estate industry. Its business concept consists of owning shares in operating subsidiaries and to operate the central functions of the Group. These mainly refer to services provided by the Issuer in the form of management, property management, transactions, finance, legal and administration. The Issuer focuses on investments in properties within the grocery and residential sector. The Group's properties are mainly located in south of Sweden and the Mälardalen area. The Group also engages in property development projects in relation to community purpose properties and residentials, such as high schools and primary schools, day care providers and nursing homes.

The Group consists of property owning companies and as of 31 March 2024, the Group's consolidated property value, calculated at fair value, amounted to approximately SEK 4,395 million.¹ The main source of income consists of rental payments, and as of 31 March 2024, the Group's net operating income (net income less property expenses) amounted to approximately SEK 53,649 million.²

Property management

The Issuer manages its properties with its own efficient organisation of management, which is divided into geographical areas in order to strengthen the Issuer's local presence. The Issuer's aim is to ensure a high level of commitment and closeness to the customer. Management close to the customer contributes to a high occupancy rate and gives the Issuer the opportunity to adapt the properties to the customers' needs.

Project development

The Issuer's aim is to create value through development and improvement of properties. The Issuer develops and follow out the potential of the existing property portfolio. The aim of the Issuer's development is to achieve sustainable development and create friendly environments. The Issuer's aim is to improve the life cycle and create good habitat.

Transactions

In addition to the development of the Issuer's property, the Issuer is acquiring properties with the aim to increase the potential of their property portfolio. The location, condition and vacancy rate of the properties are important factors which determine the growth potential. The Issuer monitors and analyses developments in the markets in which it operates, in order to take advantage of opportunities to develop the property portfolio.

Share capital, shares and shareholder structure

According to the articles of association, the Issuer's share capital shall be not less than SEK 1,000,000 and not more than SEK 4,000,000 divided into not less than 10,000 shares and not more than 40,000 shares. The Issuer's shares are denominated in SEK. As of the date of this Prospectus, the Issuer's issued share capital amounts to SEK 1,025,400 divided into 10,254 shares, each with a value of SEK 100. The

¹ The information is derived from the Issuer's unaudited Q1 financial report for the financial period 1 January – 31 March 2024, p. 1.

² The information is derived from the Issuer's unaudited Q1 financial report for the financial period 1 January – 31 March 2024, p. 11.

holders of ordinary shares in the Issuer are entitled to one (1) vote per share. The Issuer's shares are not publicly traded on a stock exchange.

The Issuer is owned by (i) certain members of the board of directors and senior management of the Issuer, who together holds approximately 2.5 per cent. of the shares in the Issuer, and (ii) Arwidsro Fastigheter AB, reg. no. 556685-6216, who holds approximately 97.5 per cent. of the shares in the Issuer, which in turn is held to 95.00 per cent. by Fastighets AB Arwidsro, reg. no. 556559-4073. The ultimate parent company of the Group is Arwidsro Holding AB, reg. no. 556954-0080, which is owned by Per Arwidsson, who is the chairman of the board of directors as well as the founder of the Group.

To ensure that the control over the Issuer is not abused, the Issuer complies with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). In addition, the Issuer acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Issuer.

Recent events

Except for the issuance of the Green Capital Securities and the Existing Bonds, there have been no recent events, particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer's solvency.

Adverse changes and tendencies

There has been no material adverse change in the prospects of the Issuer since the date of publication of the last financial report for the financial period ending 31 March 2024. Furthermore, there has been no significant change in the financial performance, market position or financial results of the Issuer, since the end of the last financial period for which financial information has been published, *i.e.* 31 March 2024.

MANAGEMENT AND AUDITOR

According to the Issuer's articles of association, the board of directors should consist of at least three (3) and not more than five (5) members, with a maximum of five (5) deputies. The board of directors currently consists of four (4) board members, and one (1) deputy board member.

The board of directors of the Issuer currently consists of four (4) members. The CEO and the CFO are responsible for the Issuer's ongoing management and operations, reports to the board of directors and are required to manage the operations in accordance with the board of directors' guidelines and instructions as well as provide the board with decision-aiding materials. The division of duties between the board of directors and the CEO follows from Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO.

The board of directors and the senior management may be contacted through the Issuer at its head office at Arwidsro Fastighets AB (publ), Humlegårdsgatan 20, 114 46 Stockholm, Sweden. Information regarding the members of the board of directors and the senior management, including significant commitments outside the Issuer, which are relevant for the Issuer, is set out below.

The board of directors of the Issuer

Per Arwidsson, chairman of the board since November 2005

Current material commitments -
outside the Group:

Christer Sandberg, member of the board since December 2013

Current material commitments -
outside the Group:

Per-Arne Rudbert, member of the board since February 2020

Current material commitments Board member of Bengt Wicksén AB and
outside the Group: Vacse AB (publ).

Joakim Nordblad, member of the board since February 2020

Current material commitments Head of DEAS Asset Management Sweden AB.
outside the Group:

Senior management of the Issuer

Peter Zonabend, CEO since January 2017

Current material commitments Board member, Hoist Finance
outside the Group: Chairman of the board, Vivesto

Jonas Sundin, CFO since August 2022

Current material commitments -
outside the Group:

Magnus Tamreus, property manager since January 2017

Current material commitments -
outside the Group:

Gustav Lilliehöök, transaction manager since February 2019

Current material commitments -
outside the Group:

Maria Björkling, sustainability manager since May 2017

Current material commitments Board member, Logistea
outside the Group:

Tobias Kjellin, area manager Samhällsfastigheter since December 2018

Current material commitments -
outside the Group:

Auditor

The Issuer's auditor is Öhrlings PricewaterhouseCoopers AB with Thijs Dirkse as the auditor in charge. Thijs Dirkse is a member of FAR. Fredrik Westin, from the Issuer's previous auditor, KPMG AB, was the Issuer's auditor in charge in respect of the financial year ended 2022 and 2023. Fredrik Westin was at the time of the issuance of the previous reports a member of FAR. The business address of Öhrlings PricewaterhouseCoopers AB is Torsgatan 21, 113 97 Stockholm, Sweden.

Conflicts of interests within administrative, management and control bodies

Apart from the relevant financial interests in the Group of Per Arwidsson, Peter Zonabend, Magnus Tamreus, Gustav Lilliehöök and Tobias Kjellin (all through ownership of shares), none of the members of the board of directors or the senior management of the Issuer have a private interest that may be in conflict with the interests of the Issuer.

Although there are currently no conflicts of interest other than mentioned in the above section, it cannot be excluded that conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Issuer.

FINANCIAL INFORMATION

Historical financial information

The Group's annual report for the financial year ended 31 December 2022 and the Group's consolidated annual report for the financial year ended 31 December 2023 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus.

All financial information in this Prospectus relating to the financial period 1 January – 31 December 2022 or as of 31 December 2022 derives from the Groups consolidated audited annual reports for the financial years ended 31 December 2022. All financial information in this Prospectus relating to the financial period 1 January – 31 December 2023 or as of 31 December 2023 derives from the Group's consolidated audited annual reports for the financial years ended 31 December 2023. All financial information in this Prospectus relating to the financial period 1 January – 31 March 2024 or as of 31 March 2024 derives from the Group's unaudited quarterly financial report for the financial period 1 January – 31 March 2024 and has not been audited or reviewed by the Issuer's auditor.

Accounting standards

The financial information for the financial year ended 31 December 2022 and the financial year ended 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU.

Auditing of the historical financial information

The financial information for the financial years ended 31 December 2022 and 31 December 2023 have been audited by the Issuer's auditor. Other than the auditing of the Group's consolidated annual reports for the financial year ended 31 December 2022 and 31 December 2023, the Issuer's auditor has not audited or reviewed any other parts of this Prospectus.

Financial information incorporated by reference

Information in the documents below, which is not incorporated by reference, is either covered elsewhere in this Prospectus, or is deemed by the Issuer not to be relevant for investors in the Green Capital Securities.

The Group's consolidated annual report for the financial year ended 31 December 2023 is incorporated in this Prospectus by reference and is available at the Issuer's website, [arwidsro - finansiella-rapporter](#). For particular financial figures, please refer to the pages set out below.

	<i>Reference</i>	<i>Pages</i>
The Group's consolidated annual report for the financial year ended	Group's consolidated income statement	56
	Group's consolidated balance sheet	57
	Group's consolidated changes in equity	58
	Group's consolidated cash flow statement	59
	Consolidated income statement	60

31 December 2023.	Consolidated balance sheet	61
	Consolidated changes in equity	62
	Consolidated cash flow statement	63
	Notes (including accounting principles)	64-83
	Independent auditor's report	86-89

The Issuer's and Group's annual report for the financial year ended 31 December 2022 is incorporated in this Prospectus by reference and is available at the Issuer's website, [arwidsro - finansiella-rapporter](#). For particular financial figures, please refer to the pages set out below.

	<i>Reference</i>	<i>Pages</i>
The Group's consolidated annual report for the financial year ended 31 December 2022.	Group's consolidated income statement	55
	Group's consolidated balance sheet	56
	Group's consolidated changes in equity	57
	Group's consolidated cash flow statement	58
	Consolidated income statement	59
	Consolidated balance sheet	60
	Consolidated changes in equity	61
	Consolidated cash flow statement	62
	Notes (including accounting principles)	63-84
Independent auditor's report	87-90	

Auditing of the annual historical financial information

The Issuer's annual reports for the financial years ended 2022 and 2023 have been audited by the Issuer's auditor, KPMG AB, with Fredrik Westin as the auditor in charge in respect of the financial year ended 2022 and the financial year ended 2023. KPMG AB has been the Issuer's auditor since 2005. The Issuer's auditor has therefore been in charge for the entire financial period covered in this Prospectus.

Age of the most recent financial information

The most recent audited financial information derives from the Issuer's consolidated annual report for the financial year ended 31 December 2023 which means that as of the date of this Prospectus, the balance sheet date of the financial information is not older than 18 months.

Legal and arbitration proceedings

The Issuer has not, during the previous twelve months, been involved in and is not aware of, any governmental, legal or arbitration proceedings that have had or may have, significant effects on the Issuer's financial position or profitability. Nor is the Issuer aware of any such proceedings that are pending

or threatening and that could lead to the Issuer or any member of the Group becoming a part to such proceedings.

Significant changes

Other than the issuance of the Green Capital Securities on 12 June 2024, and as described under Sections “Recent events” and “Adverse changes and tendencies”, there has been no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

OTHER INFORMATION

Information about the Prospectus

This Prospectus has been approved by Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) as competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. The SFSA’s approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Green Capital Securities.

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Green Capital Securities and the performance of its obligations relating thereto. The issuance of the Green Capital Securities on 12 June 2024 was resolved upon by the board of directors of the Issuer on 29 May 2024.

The board of directors of the Issuer is responsible for the information contained in the Prospectus. The board of directors of the Issuer declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law.

Information from third parties

Any information in this Prospectus which has been sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Interest of natural and legal persons involved in the issue

The Issuing Agent and the Bookrunners and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and the Bookrunners and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Clearing and settlement

The Green Capital Securities are connected to the account-based system of Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm. This means that the Green Capital Securities are registered on behalf of the Holders on a securities account (Sw. *VP-konto*). No physical Green Capital Securities have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear’s book-entry system.

Credit rating

No credit rating has been assigned to the Issuer or its debt securities.

Representation of the Holders

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, is acting as agent (“**Agent**”) for the Holders, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.

By acquiring Green Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the agent, set out in the Terms and Conditions. The Terms and Conditions are available at the Agent’s office address (Norrandsgatan 23, SE-111 43 Stockholm, Sweden) during normal business hours as well as at the Agent’s website, www.nordictrustee.com and the Issuer’s website, www.arwidsro.se.

Material agreements

Neither the Group, nor any of its associated entities have entered into any material agreements not in the ordinary course of its business which may affect the Issuer’s ability to fulfil its obligations under the Green Capital Securities.

Documents available for inspection

Copies of the following documents are available in paper format at the Issuer’s head office during office hours, as well as at the Issuer’s website, www.arwidsro.se, during the validity period of this Prospectus.

- The Issuer’s articles of association and corporate registration certificate.
- The Terms and Conditions.
- The Group’s consolidated annual report for the financial years ended 31 December 2022 and 31 December 2023, including audit reports.
- The Green Finance Framework (dated May 2023) and the second opinion dated in May 2023 issued by Shades of Green now part of S&P Global and formerly part of CICERO Center for International Climate Research.

TERMS AND CONDITIONS FOR THE GREEN CAPITAL SECURITIES

TERMS AND CONDITIONS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Green Capital Securities.

“**Accounting Event**” means the receipt by the Issuer of an opinion of an authorised accountant (Sw. *auktoriserad revisor*) in Sweden (experienced in such matters) to the effect that, as a result of a change in the Accounting Principles or interpretation thereof, the equity treatment of the Green Capital Securities as “equity” in full in the Issuer’s consolidated financial statements has or will cease.

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Nominal Amount**” means the Total Nominal Amount of the Green Capital Securities less the Nominal Amount of all Green Capital Securities owned by a Group Company or an Affiliate thereof, irrespective of whether such person is directly registered as owner of such Green Capital Securities.

“**Affiliate**” means, in respect of any Person, any other Person directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Agency Agreement**” means the agreement entered into between the Agent and the Issuer prior to the First Issue Date regarding, *inter alia*, the remuneration payable by the Issuer to the Agent or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time, initially Nordic Trustee & Agency AB (publ), (reg. no. 556882-1879).

“**Base Rate**” means (3 months) STIBOR or any reference rate replacing STIBOR in accordance with Clause 19 (*Replacement of Base Rate*).

“**Base Rate Administrator**” means Swedish Financial Benchmark Facility AB (SFBF) in relation to STIBOR or any person replacing it as administrator of the Base Rate.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Central Securities Depositories and Financial Instruments Accounts Act**” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“**Change of Control Event**” means the occurrence of an event or series of events whereby the Main Shareholder ceases directly or indirectly to:

- (a) hold more than fifty (50.00) per cent. of the shares of the Issuer; or
- (b) control more than fifty (50.00) per cent. or the votes that might be cast at a general meeting of the Issuer; or
- (c) have the right to appoint or remove all or a majority of the directors of the board of directors of the Issuer.

“**Change of Control Step-up Date**” means the date falling six (6) months after the date on which a Change of Control Event has occurred.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Green Capital Securities from time to time; initially Euroclear Sweden AB reg. no. 556112-8074.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Green Capital Securities from time to time.

“**Debt Register**” means the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Green Capital Securities in which an owner of Green Capital Securities is directly registered or an owner’s holding of Green Capital Securities is registered in the name of a nominee.

“**Default**” has the meaning ascribed to it in Clause 16.1 (*Proceedings*).

“**Deferred Interest**” has the meaning ascribed to it in Clause 11.1 (*Deferral of Interest Payments*).

“**Deferred Interest Payment Event**” means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Green Capital Securities or any Parity Securities;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;

- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Green Capital Securities or any Parity Securities;
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities, and/or
- (e) payment, prepayment, repayment, redemption, defeasance or discharge by the Issuer of any principal amount, interest or other amounts accrued under Shareholder Loans;

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in each case, any declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital, which is made by reason of a claim (in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) by shareholder(s) owning not less than ten (10.00) per cent. of the shares in the Issuer; and
- (iii) in the case of paragraph (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of:
 - (A) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; or
 - (B) any share buyback programme in force at the First Issue Date and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable); or
 - (C) any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction.

“**Enforcement**” has the meaning ascribed to it in Clause 16.2 (*Enforcement*).

“**Finance Documents**” means these Terms and Conditions, the Agency Agreement and any other document designated as a Finance Document by the Agent and the Issuer.

“**First Call Date**” means the date falling four (4) years after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**First Issue Date**” means 12 June 2024.

“**First Step-up Date**” means the date falling four (4) years after the First Issue Date.

“**Force Majeure Event**” has the meaning ascribed to it in Clause 26 (*Force majeure*).

“**Green Capital Security**” means debt instruments (*Sw. skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions, including the Initial Green Capital Securities and any Subsequent Green Capital Securities.

“**Green Finance Framework**” means the Issuer’s green finance framework, as it is worded on the Issue Date of the relevant Green Capital Securities.

“**Group**” means the Issuer and each of its Subsidiaries from time to time.

“**Group Company**” mean each member of the Group.

“**Holder**” means the Person who is registered on a Securities Account as direct registered owner (*Sw. direktregistrerad ägare*) or nominee (*Sw. förvaltare*) with respect to a Green Capital Security.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 17.2 (*Holders’ Meeting*).

“**Initial Green Capital Securities**” means the Green Capital Securities issued on the First Issue Date.

“**Initial Issue**” means the issuance of Green Capital Securities on the First Issue Date.

“**Interest**” means the interest on the Green Capital Securities calculated in accordance with Clause 10 (*Interest*).

“**Interest Payment**” means, in respect the payment of Interest on an Interest Payment Date, the amount of Interest payable for the relevant Interest Period in accordance with Clause 10 (*Interest*).

“**Interest Payment Date**” means, subject to Clause 11 (*Optional interest deferral*), 12 March, 12 June, 12 September and 12 December in each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention, with the first Interest Payment Date for the Green Capital Securities being 12 September 2024 and the last Interest Payment Date being the relevant Redemption Date.

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or, if the Green Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date) and, in respect of any Subsequent Green Capital Securities, each Interest Period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance (or the First Issue Date if there is no such Interest Payment Date) and ending on (and including) the next succeeding Interest Payment Date (or, if the Green Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date).

“**Interest Rate**” means the Base Rate plus the applicable Margin, as adjusted by any application of Clause 19 (*Replacement of Base Rate*).

“**Issue Date**” means the First Issue Date or any subsequent date when Subsequent Green Capital Securities are issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means Arwidsro Fastighets AB (publ), a limited liability company incorporated in Sweden with reg. no. 556685-9053.

“**Issuer Winding-up**” has the meaning ascribed to it in paragraph (a) of Clause 2.2.

“**Issuing Agent**” means Swedbank AB (publ), reg. no. 502017-7753, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Main Shareholder**” means Per Arwidsson (personal identity no. 19520821-4816) or his spouse or any of their direct heirs, by way of direct or indirect ownership of shares, and their respective Affiliates (including, for the avoidance of doubt, any foundation (Sw. *stiftelse*) controlled by any of them).

“**Margin**” means:

- (a) from (but excluding) the First Issue Date to (and including) the First Step-up Date, 6.00 per cent. *per annum*;
- (b) from (but excluding) the First Step-up Date to (and including) the Second Step-up Date, 9.00 per cent. *per annum*;
- (c) from (but excluding) the Second Step-up Date to (and including) the Third Step-up Date, 10.00 per cent. *per annum*; and
- (d) from (but excluding) the Third Step-up Date to (and including) the Redemption Date, 11.00 per cent. *per annum*;

in each case *plus* 5.00 percentage units *per annum* with effect from (but excluding) the Change of Control Step-up Date, if the Issuer does not elect to redeem the Green Capital Securities in accordance with Clause 12.5 (*Voluntary redemption due to a Change of Control Event*) following the occurrence of a Change of Control Event.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394.

“**Net Proceeds**” means the proceeds from the issuance of any Green Capital Securities after deduction has been made for transaction costs payable by the Issuer in connection with the issuance and listing of such Green Capital Securities.

“**Nominal Amount**” has the meaning ascribed to it in Clause 3.1.

“**Parity Securities**” means any obligations of:

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Green Capital Securities; and

- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank pari passu with the Green Capital Securities.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Proceedings**” has the meaning ascribed to it in Clause 16.1 (*Proceedings*).

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5th) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date; or
- (c) another relevant date,

or, in each case, such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Green Capital Securities are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Green Capital Securities*).

“**Regulated Market**” means any regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

“**Second Step-up Date**” means the date falling six (6) years after the First Issue Date.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and Financial Instruments Accounts Act in which:

- (a) an owner of such security is directly registered; or
- (b) an owner’s holding of securities is registered in the name of a nominee.

“**SEK**” or “**Swedish Kronor**” means the lawful currency of Sweden.

“**Shareholder**” means the Issuer’s direct and indirect shareholders from time to time and any Affiliate of such shareholders (excluding any Group Company).

“**Shareholder Loan**” means all present and future payment obligations of the Issuer or a Group Company to a Shareholder.

“**Shareholder Subordination Agreement**” means the agreement entered into between the Issuer, the Agent, each Shareholder being a creditor under a Shareholder Loan and each Group

Company being a debtor under a Shareholder Loan, in respect of contractual subordination of all present and future Shareholder Loans.

“**Special Event**” means any of an Accounting Event, a Substantial Repurchase Event, a Tax Deductibility Event, a Withholding Tax Event or any combination of the foregoing.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the LSEG screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no rate as described in paragraph (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing, as displayed on page STIBOR= of the LSEG screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;
- (c) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period and no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subordinated Indebtedness**” means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Green Capital Securities or to the obligations of the Issuer in respect of any Parity Securities.

“**Subsequent Green Capital Securities**” means any Green Capital Security issued in a Subsequent Issue.

“**Subsequent Issue**” has the meaning ascribed to it in Clause 3.5.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at any time is a subsidiary (Sw. *dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen 2005:551*).

“**Substantial Repurchase Event**” shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal

amount of Green Capital Securities equal to or greater than eighty (80.00) per cent. of the aggregate principal amount of the Green Capital Securities issued (which shall include, for these purposes, any Subsequent Green Capital Securities).

“**Tax Deductibility Event**” means the receipt by the Issuer of an opinion of a well-reputed counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, any interest payments under the Green Capital Securities were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer.

“**Tax Law Change**” means:

- (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation;
- (b) any governmental action; or
- (c) any amendment to, clarification of, or change in the application, official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the First Issue Date.

“**Third Step-up Date**” means the date falling eight (8) years after the First Issue Date.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Green Capital Securities outstanding at the relevant time.

“**Withholding Tax Event**” shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Green Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Green Capital Securities and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 17.3 (*Written Procedure*).

1.2 **Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
 - (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (c) a “**regulation**” includes any law, regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
 - (d) a provision of law is a reference to that provision as amended or re-enacted; and
 - (e) a time of day is a reference to Stockholm time.
- 1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.4 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.
- 1.2.5 The selling and distribution restrictions and the privacy statement contained in this document before the table of contents do not form part of the Terms and Conditions and may be updated without the consent of the Holders and the Agent (save for the privacy statement insofar it relates to the Agent).

2. STATUS OF THE GREEN CAPITAL SECURITIES

- 2.1 The Green Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Green Capital Securities against the Issuer are subordinated as described under Clause 2.2.
- 2.2 In the event of:
- (a) a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders shall, in respect of their Green Capital Securities, have a claim for the principal amount of their Green Capital

Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:

- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
- (ii) senior to all present and future claims in respect of:
 - (A) the share capital of the Issuer;
 - (B) all Shareholder Loans; and
 - (C) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Green Capital Securities or any Parity Securities; and
- (iii) junior in right of payment to any present or future claims of:
 - (A) all unsubordinated obligations of the Issuer; and
 - (B) all Subordinated Indebtedness; or
 - (b) a company re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (2022:964) om företagsrekonstruktion*), the Holders shall, in respect of their Green Capital Securities, have a claim for the principal amount of their Green Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
 - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
 - (ii) senior in right of payment to any present and future claims of all Shareholder Loans; and
 - (iii) junior in right of payment to any present or future claims of:
 - (A) all unsubordinated obligations of the Issuer; and
 - (B) all Subordinated Indebtedness.

Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under a company re-construction of the Issuer.

- 2.3 Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Green Capital Securities and each Holder shall, by virtue of its holding of any Green Capital Security, be deemed to have waived all such rights of set-off, compensation or retention.

3. THE AMOUNT OF THE GREEN CAPITAL SECURITIES

- 3.1 The aggregate amount of the Green Capital Securities will be an amount of up to SEK 600,000,000 which will be represented by Green Capital Securities, each of a nominal amount of SEK 1,250,000 (the “**Nominal Amount**”) or full multiples thereof. The Total Nominal Amount of the Initial Green Capital Securities issued is SEK 300,000,000.
- 3.2 The ISIN for the Green Capital Securities is SE0022241741.
- 3.3 The Initial Green Capital Securities are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 3.4 The minimum permissible investment in connection with the Initial Issue is SEK 1,250,000.
- 3.5 Provided that a Default has not occurred, the Issuer may, at one or several occasions after the First Issue Date, issue Subsequent Green Capital Securities under these Terms and Conditions (each such issue, a “**Subsequent Issue**”), provided that the Total Nominal Amount of the Initial Green Capital Securities and all Subsequent Green Capital Securities may not exceed SEK 600,000,000.
- 3.6 Subsequent Green Capital Securities shall be issued subject to these Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the perpetual nature applicable to the Green Capital Securities issued in the Initial Issue shall also apply to Subsequent Green Capital Securities.
- 3.7 The price of Subsequent Green Capital Securities may be set at par, at a discount or at a premium compared to the Nominal Amount.
- 3.8 The Green Capital Securities are denominated in SEK and each Green Capital Security is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Green Capital Securities, subject to and in accordance with these Terms and Conditions, and to comply with these Terms and Conditions.
- 3.9 By subscribing for Green Capital Securities, each initial Holder agrees that the Green Capital Securities shall benefit from and be subject to these Terms and Conditions and by acquiring Green Capital Securities each subsequent Holder confirms these Terms and Conditions.

4. USE OF PROCEEDS

An amount equivalent to the Net Proceeds of the Initial Issue and any Subsequent Issue shall be applied by the Issuer in accordance with the Issuer’s Green Finance Framework (including, but not limited to, a full or partial repurchase and/or redemption of the Issuer's existing green capital securities).

5. CONDITIONS PRECEDENT

5.1 Conditions precedent in respect of the Initial Green Capital Securities

- 5.1.1 The Issuer shall provide to the Agent, as soon as possible but no later than 9.00 a.m. three (3) Business Days prior to the First Issue Date, the following, in form and substance satisfactory to the Agent (acting reasonably):

- (a) copies of the articles of association and up-to-date certificate of registration of the Issuer;
- (b) a copy of a resolution from the board of directors of the Issuer:
 - (i) approving the issue of the Initial Green Capital Securities and resolving that it executes and performs these Terms and Conditions and the Agency Agreement; and
 - (ii) authorising a specified person or persons to execute these Terms and Conditions and the Agency Agreement on its behalf;
- (c) a copy of these Terms and Conditions and the Agency Agreement duly executed by the Issuer;
- (d) a copy of the Issuer's Green Finance Framework and the second opinion relating to the Issuer's Green Finance Framework; and
- (e) evidence in form of a duly executed affiliation form that the Green Capital Securities have been or will be registered with the CSD.

5.1.2 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 2.00 p.m. three (3) Business Days prior to the First Issue Date (or later, if the Issuing Agent so agrees).

5.1.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.1.2, the Issuing Agent shall settle the issuance of the Initial Green Capital Securities and pay the Net Proceeds of the Initial Green Capital Securities to the Issuer on the First Issue Date.

5.2 **Conditions precedent in respect of any Subsequent Green Capital Securities**

5.2.1 The Issuer shall provide to the Agent, as soon as possible, but no later than 9.00 a.m. three (3) Business Days prior to any Issue Date in respect of Subsequent Green Capital Securities, the following, in form and substance satisfactory to the Agent (acting reasonably):

- (a) copies of the articles of association and up-to-date certificate of registration of the Issuer;
- (b) a copy of a resolution from the board of directors of the Issuer approving the issue of such Subsequent Green Capital Securities and resolving that it executes and performs any documents necessary in connection therewith; and
- (c) such other documents and evidence as is agreed between the Agent and the Issuer.

5.2.2 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions set out in Clause 5.2.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 2.00 p.m. three (3) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).

5.2.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.2.2, the Issuing Agent shall settle the issuance of any Subsequent Green Capital Securities and pay the

Net Proceeds of such Subsequent Green Capital Securities to the Issuer on the relevant Issue Date.

5.3 **Conditions Subsequent**

The Issuer shall provide to the Agent, as soon as possible but no later than ten (10) Business Days after to the First Issue Date, a copy of the duly executed Shareholder Subordination Agreement in form and substance satisfactory to the Agent (acting reasonably).

5.4 **No responsibility for documentation**

The Agent may assume that the documentation and evidence delivered to it pursuant to this Clause 5 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 5 from a legal or commercial perspective of the Holders.

6. THE GREEN CAPITAL SECURITIES AND TRANSFERABILITY

6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

6.2 The Green Capital Securities are freely transferable but the Holders may be subject to purchase or transfer restrictions with regard to the Green Capital Securities, as applicable, under local regulation to which a Holder may be subject. All Green Capital Securities transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Green Capital Securities transferees upon completed transfer.

6.3 Upon a transfer of Green Capital Securities, any rights and obligations under these Terms and Conditions relating to such Green Capital Securities are automatically transferred to the transferee.

6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Green Capital Securities or the possession, circulation or distribution of any document or other material relating to the Issuer or the Green Capital Securities in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Green Capital Securities, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

6.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Green Capital Securities in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

- 6.6 The Green Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Green Capital Securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

7. GREEN CAPITAL SECURITIES IN BOOK-ENTRY FORM

- 7.1 The Green Capital Securities will be registered for the Holders on their respective Securities Accounts and no physical Green Capital Securities will be issued. Accordingly, the Green Capital Securities will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Green Capital Securities shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Holders and their holdings of Green Capital Securities at the relevant point of time.
- 7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Green Capital Security shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 7.5 At the request of the Agent, the Issuer shall promptly obtain information from the Debt Register and provide it to the Agent.
- 7.6 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 7.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Holder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A HOLDER

- 8.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

- 8.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Green Capital Securities held by it. Any such representative may act independently under these Terms and Conditions in relation to the Green Capital Securities for which such representative is entitled to represent the Holder.
- 8.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 8.4 These Terms and Conditions shall not affect the relationship between a Holder who is the nominee (*Sw. förvaltare*) with respect to a Green Capital Security and the owner of such Green Capital Security, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

9. PAYMENTS IN RESPECT OF THE GREEN CAPITAL SECURITIES

- 9.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Green Capital Securities, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account, such deposits will be effectuated by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid as soon as possible after such obstacle has been removed.
- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Issue or a Subsequent Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

10. INTEREST

10.1 Interest accrual

Interest accrues during an Interest Period. The Initial Green Capital Securities carries Interest at the applicable Interest Rate from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Green Capital Securities will carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to and including the relevant Redemption Date.

10.2 Day Count Convention

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

10.3 Interest Payment Dates

10.3.1 Subject to Clause 11 (*Optional interest deferral*) and the Business Day Convention, payment of interest in respect of the Green Capital Securities shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.

10.3.2 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 11 (*Optional interest deferral*).

10.4 Default Interest

If the Issuer fails to pay any amount payable by it pursuant to Clause 11.3 (*Mandatory settlement of Deferred Interest*) or Clause 12 (*Redemption and repurchase of the Green Capital Securities*) (except for Clause 12.1 (*No maturity*), Clause 12.2 (*The Group Companies' purchase of Green Capital Securities*) and Clause 12.5 (*Cancellation of Green Capital Securities*)) on its due date, default interest of two (2) per cent. per annum shall, in addition to the applicable Interest Rate, accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

11. OPTIONAL INTEREST DEFERRAL

11.1 Deferral of Interest Payments

11.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Green Capital Securities are to be redeemed) by giving notice of such election to the Holders in accordance with Clause 25 (*Notices and press release*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above.

- 11.1.2 If the Issuer makes only a partial payment of interest on an Interest Payment Date, such amount shall be applied equally to each Green Capital Security.
- 11.1.3 Any Interest Payment so deferred pursuant to this Clause 11 shall, from (but excluding) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (and including) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.
- 11.1.4 The deferral of an Interest Payment in accordance with this Clause 11 shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Green Capital Securities or for any other purpose.

11.2 **Optional settlement of Deferred Interest**

Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Clause 25 (*Notices and press release*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest. Any such notice shall state the date fixed for the payment and the relevant Record Date and is irrevocable.

11.3 **Mandatory settlement of Deferred Interest**

- 11.3.1 The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:
- (a) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs;
 - (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
 - (c) the date on which the Green Capital Securities are redeemed or repaid in accordance with Clause 12 (*Redemption and repurchase of the Green Capital Securities*) or Clause 15 (*Default and Enforcement*).
- 11.3.2 Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Clause 25 (*Notices and press release*), the Issuing Agent and the Agent within three (3) Business Days of such event.

12. **REDEMPTION AND REPURCHASE OF THE GREEN CAPITAL SECURITIES**

12.1 **No maturity**

The Green Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Green Capital Securities in the circumstances described in this Clause 12

(Redemption and repurchase of the Green Capital Securities). The Green Capital Securities are not redeemable at the option of the Holders at any time.

12.2 **The Group Companies' purchase of Green Capital Securities**

The Issuer or any other Group Company may, subject to applicable regulations, at any time and at any price purchase Green Capital Securities in the market or in any other way. Green Capital Securities held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with (i) a full redemption of the Green Capital Securities or (ii) a Substantial Repurchase Event.

12.3 **Voluntary redemption by the Issuer (call option)**

The Issuer may elect to redeem all, but not some only, of the outstanding Green Capital Securities in full on the First Call Date or on any Interest Payment Date falling thereafter at a price per Green Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

12.4 **Voluntary redemption due to a Special Event**

Upon the occurrence of a Special Event, the Issuer may redeem all, but not some only, of its Green Capital Securities at any time at a price per Green Capital Security equal to:

- (a) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; or
- (b) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

in each case together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

12.5 **Voluntary redemption due to a Change of Control Event**

12.5.1 Upon a Change of Control Event occurring, the Issuer may, no later than the Change of Control Step-up Date, redeem all, but not some only, of its Green Capital Securities at an amount equal to:

- (a) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; and
- (b) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

in each case together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

12.5.2 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Agent and the Holders in accordance with Clause 25 (*Notices and press release*), specifying the nature of the Change of Control Event.

12.6 Notice of redemption

Redemption in accordance with Clauses 12.3, 12.4 or 12.5 shall be made by the Issuer giving not less than thirty (30) and not more than sixty (60) days' notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may in the case of a redemption in accordance with Clause 12.3, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Subject to the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Green Capital Securities in full at the applicable amounts on the specified Redemption Date.

12.7 Cancellation of Green Capital Securities

All Green Capital Securities which are redeemed pursuant to this Clause 12 and all Green Capital Securities purchased and elected to be cancelled pursuant to Clause 12.2 (*The Group Companies' purchase of Green Capital Securities*) will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Holders in accordance with Clause 25 (*Notices and press release*), the Agent and the Issuing Agent of any such cancellation and for so long as the Green Capital Securities are admitted to trading on Nasdaq Stockholm and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm (or any other relevant Regulated Market on which the Green Capital Securities are admitted to trading) of the cancellation of any Green Capital Securities under this Clause 12.7.

13. PRECONDITIONS TO SPECIAL EVENT REDEMPTION

13.1 Prior to the publication of any notice of redemption pursuant to Clause 12 (*Redemption and repurchase of the Green Capital Securities*) (other than redemption pursuant to Clause 12.3 (*Voluntary redemption by the Issuer (call option)*)), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating:

- (a) that the relevant requirement or circumstance giving rise to the right to redeem the Green Capital Securities is satisfied; and
- (b) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it.

13.2 In addition, in the case of an Accounting Event, a Tax Deductibility Event or a Withholding Tax Event, the Issuer shall deliver to the Agent and the Issuing Agent an opinion of independent legal, accounting or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). The Agent and the Issuing Agent shall be entitled to accept such opinion without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in this paragraph, in which case it shall be conclusive and binding on the Holders.

13.3 Any redemption of the Green Capital Securities in accordance with Clause 12 (*Redemption and repurchase of the Green Capital Securities*) shall be conditional on all Deferred Interest being

paid in full in accordance with the provisions of Clause 11.3 (*Mandatory settlement of Deferred Interest*) on or prior to the date of such redemption.

14. ADMISSION TO TRADING

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that:

- (a) the Initial Green Capital Securities are admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days after the First Issue Date;
- (b) any Subsequent Green Capital Securities are admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days following the relevant Issue Date (or any shorter period of time required pursuant to applicable regulations or stock exchange rules); and
- (c) the Green Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Green Capital Securities in close connection to the redemption of the Green Capital Securities).

15. GREEN FINANCE FRAMEWORK

The Issuer shall (without assuming any legal or contractual obligation) maintain a Green Finance Framework, which shall at all times be published on the Issuer's website.

16. DEFAULT AND ENFORCEMENT

16.1 Proceedings

- 16.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 11 (*Optional interest deferral*), if a default is made by the Issuer for a period of thirty (30) days or more in relation to the payment of any interest, principal or premium in respect of the Green Capital Securities which is due and payable (a "**Default**"), then the Issuer shall be deemed to be in default under the Green Capital Securities and the Agent (acting on instructions of the Holders in accordance with these Terms and Conditions) or (subject to Clause 23 (*No direct action by Holders*)) any Holder may institute proceedings for an Issuer Winding-up provided that such Default is still continuing ("**Proceedings**").
- 16.1.2 In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution (if any), either independently or through the Agent prove and/or

claim in such Issuer Winding-up in respect of the Green Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 2.2.

16.2 **Enforcement**

The Agent (acting on the instructions of the Holders in accordance with these Terms and Conditions) may institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Green Capital Securities (“**Enforcement**”) but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

16.3 **Extent of Holders’ Remedy**

No remedy against the Issuer, other than as referred to in this Clause 16, shall be available to the Agent and the Holders, whether for the recovery of amounts owing in respect of the Green Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Green Capital Securities.

17. **DECISIONS BY HOLDERS**

17.1 **Request for a decision**

17.1.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders’ Meeting or by way of a Written Procedure.

17.1.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders’ Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent’s opinion more appropriate that a matter is dealt with at a Holders’ Meeting than by way of a Written Procedure, it shall be dealt with at a Holders’ Meeting.

17.1.3 The Agent may refrain from convening a Holders’ Meeting or instigating a Written Procedure if:

- (a) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or
- (b) the suggested decision is not in accordance with applicable regulations.

17.1.4 The Agent shall not be responsible for the content of a notice for a Holders’ Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.

17.1.5 Should the Agent not convene a Holders’ Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.1.3 being applicable, the

Person requesting a decision by the Holders may convene such Holders' Meeting or instigate such Written Procedure, as the case may be, itself. If the requesting Person is a Holder, the Issuer or the Issuing Agent shall upon request from such Holder provide the Holder with necessary information from the Debt Register in order to convene and hold the Holders' Meeting or instigate and carry out the Written Procedure, as the case may be. If no Person has been appointed by the Agent to open the Holders' Meeting, the meeting shall be opened by a Person appointed by the requesting Person.

17.1.6 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 17.2.1 or instigate a Written Procedure by sending communication in accordance with Clause 17.3.1. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 17.2.1. The Issuer shall inform the Agent before a notice for a Holders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

17.1.7 Should the Issuer or any Holder(s) convene a Holders' Meeting or instigate a Written Procedure pursuant to Clause 17.1.5 or 17.1.6, then the Agent shall no later than five (5) Business Days prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Holder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

17.2 **Holders' Meeting**

17.2.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.

17.2.2 The notice pursuant to Clause 17.2.1 shall include:

- (a) the time for the meeting;
- (b) the place for the meeting;
- (c) an agenda for the meeting (including each request for a decision by the Holders and if a request concerns an amendment to these Terms and Conditions, such proposed amendment must always be set out in detail);
- (d) a form of power of attorney;
- (e) should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice; and
- (f) a specification of the Record Date on which a person must be registered as a Holder in order to be entitled to exercise voting rights.

Only matters that have been included in the notice may be resolved upon at the Holders' Meeting.

- 17.2.3 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 17.2.4 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 17.2.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in Person.
- 17.3 **Written Procedure**
- 17.3.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 17.3.2 A communication pursuant to Clause 17.3.1 shall include:

- (a) each request for a decision by the Holders;
- (b) a description of the reasons for, and contents of, each request and if a request concerns an amendment to these Terms and Conditions, such proposed amendment must always be set out in detail;
- (c) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights;
- (d) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney;
- (e) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but no more than twenty (20) Business Days from the communication pursuant to Clause 17.3.1); and
- (f) if the voting shall be made electronically, instructions for such voting.

17.3.3 When the requisite majority consents of the aggregate Adjusted Nominal Amount pursuant to Clause 17.4.2 and 17.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.4.2 or 17.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17.4 **Majority, quorum and other provisions**

17.4.1 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.3.2, in respect of a Written Procedure,

may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Green Capital Securities are included in the definition of Adjusted Nominal Amount.

17.4.2 The following matters shall require consent of Holders representing at least sixty-six and two thirds (66²/₃) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3.2:

- (a) the issue of any Subsequent Green Capital Securities, if the Total Nominal Amount of the Green Capital Securities exceeds, or if such would cause the Total Nominal Amount of the Green Capital Securities to at any time exceed, SEK 600,000,000 (for the

avoidance of doubt, for which consent shall be required at each occasion such Subsequent Green Capital Securities are issued);

- (b) a change to the currency, denomination, status or transferability of the Green Capital Securities;
- (c) a change to the Nominal Amount or the Interest Rate (including, for the avoidance of doubt, changes to the Margin or Base Rate other than as a result of an application of Clause 19 (*Replacement of Base Rate*));
- (d) a change of Issuer;
- (e) an amendment of the perpetual nature of the Green Capital Securities;
- (f) any delay of the due date for payment of any interest and/or principal on the Green Capital Securities other than as permitted pursuant to Clause 11 (*Optional Interest Deferral*);
- (g) a mandatory exchange of Green Capital Securities for other securities;
- (h) early redemption of the Green Capital Securities, other than as otherwise permitted or required by the Terms and Conditions;
- (i) amend the provisions in this Clause 17.4.2 or in Clause 17.4.3; and
- (j) a reduction of the premium payable upon the redemption or repurchase of Green Capital Securities pursuant to Clause 12 (Redemption and repurchase of the Green Capital Securities).

17.4.3 Any matter not covered by Clause 17.4.2 shall require the consent of Holders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3.2. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) to (d) of Clause 18.1) or an Enforcement of the Green Capital Securities pursuant to Clause 16.2 (Enforcement).

17.4.4 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Holders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 17.2.5 (or appear through duly authorised representatives);
or
- (b) if in respect of a Written Procedure, reply to the request.

17.4.5 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.2.1) or initiate a second Written Procedure (in accordance with Clause 17.3.1), as the case may be,

provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 17.4.4 shall not apply to such second Holders' Meeting or Written Procedure.

- 17.4.6 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.4.7 A Holder holding more than one Green Capital Security does not need to use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.4.8 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.4.9 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Holders.
- 17.4.10 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.4.11 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Green Capital Securities owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Green Capital Securities. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Green Capital Security is owned by a Group Company or an Affiliate of a Group Company.
- 17.4.12 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

18. AMENDMENTS AND WAIVERS

- 18.1 The Issuer and the Agent (acting on behalf of the Holders) may agree in writing to amend the Finance Documents or waive any provision in the Finance Documents, provided that the Agent is satisfied that such amendment or waiver:

- (a) is not detrimental to the interest of the Holders;
- (b) is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) is required by applicable regulation, a court ruling or a decision by a relevant authority;
- (d) is necessary for the purpose of having the Green Capital Securities admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), provided that such amendment or waiver does not materially adversely affect the rights of the Holders;
- (e) is made pursuant to Clause 19 (*Replacement of Base Rate*); or
- (f) has been duly approved by the Holders in accordance with Clause 15 (*Decisions by Holders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Holders.

18.2 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

18.3 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

19. REPLACEMENT OF BASE RATE

19.1 General

19.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Holders in accordance with the provisions of this Clause 19 shall at all times be made by such Independent Adviser, the Issuer or the Holders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

19.1.2 If a Base Rate Event has occurred, this Clause 19 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

19.2 Definitions

In this Clause 19:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value

from one party to another as a result of a replacement of the Base Rate .and is customarily applied in comparable debt capital market transactions.

“**Base Rate Amendments**” has the meaning set forth in Clause 19.3.4.

“**Base Rate Event**” means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period):
 - (i) has ceased to exist; or
 - (ii) has ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Holder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*) containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

“**Base Rate Event Announcement**” means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

“**Independent Adviser**” means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

“**Relevant Nominating Body**” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of

them or thirdly the Financial Stability Council (Sw. *Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Green Capital Securities, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or
- (b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply mutatis mutandis to such new Successor Base Rate.

19.3 **Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

- 19.3.1 Without prejudice to Clause 19.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 19.3.2.
- 19.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally determining the applicable Base Rate.
- 19.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 19.3.2, the Holders shall, if so decided at a Holders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 19.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 19.3 to 19.6, the Agent (acting on the instructions of the Noteholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer’s cooperation.
- 19.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice (“**Base Rate Amendments**”).
- 19.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and

including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

19.4 **Interim measures**

19.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:

- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
- (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

19.4.2 For the avoidance of doubt, Clause 19.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 19. This will however not limit the application of Clause 19.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 19 have been taken, but without success.

19.5 **Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective, the Issuer shall promptly following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Issuing Agent and the Holders in accordance with Clause 25 (*Notices and press release*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Notes are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

19.6 **Variation upon replacement of Base Rate**

19.6.1 No later than giving the Agent notice pursuant to Clause 19.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 19.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 19. The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Holders.

19.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 19.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Holders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 19.

19.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 19. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

19.7 **Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 19.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

19.8 **Failure to comply**

Failure by the Issuer to comply with the provisions of this Clause 19 shall, for the avoidance of doubt, not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Green Capital Securities or for any other purpose.

20. **THE AGENT**

20.1 **Appointment of the Agent**

20.1.1 By subscribing for Green Capital Securities, each initial Holder appoints the Agent to act as its agent in all matters relating to the Green Capital Securities and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Green Capital Securities held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Green Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

20.1.2 Each Holder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Holder which does not comply with such request.

20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

- 20.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 20.2 **Duties of the Agent**
- 20.2.1 The Agent shall represent the Holders in accordance with the Finance Documents.
- 20.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Holders. The Agent is never acting as an advisor to the Holders or the Issuer. Any advice or opinion from the Agent does not bind the Holders or the Issuer.
- 20.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 20.2.4 The Agent shall treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 20.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Holders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 20.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it:
- (a) in connection with any Proceedings or Enforcement;
 - (b) for the purpose of investigating or considering:
 - (i) an event or circumstance which the Agent reasonably believes is or may lead to Proceedings or Enforcement; or
 - (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents;
 - (c) in connection with any Holders' Meeting or Written Procedure; or
 - (d) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents.
- 20.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

20.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor:

- (a) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents; or
- (b) whether any other event specified in any Finance Document has occurred.

Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

20.2.9 The Agent shall ensure that it receives evidence satisfactory to it that the Finance Documents are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 20.2.9. Other than as set out above, the Agent shall neither be liable to the Issuer or the Holders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

20.2.10 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.

20.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

20.2.12 The Agent shall give a notice to the Holders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or if it refrains from acting for any reason pursuant to Clause 20.2.11.

20.2.13 Upon the reasonable request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Green Capital Securities (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.

20.2.14 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in connection with these Terms and Conditions, the Agent shall be entitled to disclose to the Holders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Green Capital Securities. Notwithstanding the foregoing, the Agent may if it considers it to be

beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information.

20.3 **Liability for the Agent**

- 20.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Issuer or the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with the Finance Documents.
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Holders under the Finance Documents.
- 20.3.6 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other Person

20.4 **Replacement of the Agent**

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

- 20.4.4 If the Holders have not appointed a successor Agent within ninety (90) days after the earlier of:
- (a) the notice of resignation was given;
 - (b) the resignation otherwise took place; or
 - (c) the Agent was dismissed through a decision by the Holders,
- the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of market loans.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of:
- (a) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent; and
 - (b) the period pursuant to Clause 20.4.4 having lapsed.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21. THE ISSUING AGENT

- 21.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Green Capital Securities. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 21.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Green Capital Securities.

- 21.3 The Issuing Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

22. THE CSD

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Green Capital Securities.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the admission to trading of the Green Capital Securities on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.

23. NO DIRECT ACTIONS BY HOLDERS

- 23.1 A Holder may not take any action or legal steps whatsoever against any Group Company to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or their equivalents in any other jurisdiction) of any Group Company in relation to any of the obligations or liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Holders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 20.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.12 before a Holder may take any action referred to in Clause 23.1.

24. TIME-BAR

- 24.1 The right to receive repayment of the principal of the Green Capital Securities shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive

payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Green Capital Securities, and of three (3) years with respect to the right to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

25. NOTICES AND PRESS RELEASE

25.1 Notices

- 25.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time or, if sent by e-mail by the Issuer, to such e-mail address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or to such address as notified by the Issuer to the Agent by not less than five (5) Business Days' notice from time to time, or, if sent by e-mail by the Agent, to such e-mail address as notified by the Issuer to the Agent from time to time; and
- (c) if to the Holders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

- 25.1.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (or, if between the Agent and the Issuer, by e-mail) and will only be effective:

- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1;
- (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope that has been posted and addressed to the address specified in Clause 25.1.1;
or
- (c) in case of e-mail to the Agent or the Issuer, when received in legible form by the e-mail address specified in Clause 25.1.1.

25.1.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

25.2 **Press releases**

25.2.1 Any notice or communication that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.1.1, 11.2, 11.3.2, 12.5 (*Notice of redemption*), 12.7 (*Cancellation of Green Capital Securities*), 17.2.1, 17.3.1, 17.4.12, 18.2 and 19.5 (*Notices etc.*) shall also be published by way of press release by the Issuer or the Agent, as applicable.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Green Capital Securities, the Issuer or the Group contained in a notice that the Agent may send to the Holders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Holders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Holders, the Agent shall be entitled to issue such press release.

26. **FORCE MAJEURE**

26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

26.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

26.3 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

27. GOVERNING LAW AND JURISDICTION

- 27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.
- 27.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

* * *

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