

# **Prospectus for Sveafastigheter AB (publ)**



## **Sveafastigheter**

### **Up to EUR 183,500,000 Senior Unsecured Fixed Rate Bonds**

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**ISIN: SE0022244018**

*This Prospectus has been approved by the Swedish Financial Supervisory Authority on 26 May 2025 and is valid for twelve (12) months after the approval, provided that it is completed by any supplement required pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.*

#### **Issuing Agent**

DNB Bank ASA, Sweden Branch

#### **Joint Bookrunners**

Danske Bank A/S, Danmark, Sverige Filial  
Skandinaviska Enskilda Banken AB (publ)  
DNB Bank ASA, Sweden Branch

**VINGE**

## IMPORTANT INFORMATION

In this prospectus (the “**Prospectus**”), the “**Issuer**” and the “**Company**” means Sveafastigheter AB (publ), Reg. No. 559449-4329. The “**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”). The “**Joint Bookrunners**” means Danske Bank A/S, Danmark, Sverige Filial, Skandinaviska Enskilda Banken AB (publ) and DNB Bank ASA, Sweden Branch. The “**Issuing Agent**” means DNB Bank ASA, Sweden Branch.

Words and expressions defined in the Terms and Conditions beginning on page 50 have the same meanings when used in the Prospectus unless it is otherwise explicitly understood from the context or otherwise defined in this Prospectus.

The Issuer issued a total of 1,109 senior unsecured fixed rate bonds (the “**Bonds**”) in the Total Nominal Amount of EUR 110,900,000 on 5 July 2024 (the “**First Issue Date**”). This Prospectus has been prepared for solely for the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm or another regulated market. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Article 20 in 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**”). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete. This Prospectus has been produced in an English version only and shall be read together with all documents which have been incorporated by reference (see “*Incorporation by reference*”) and any supplements to this Prospectus. This Prospectus will be available at the SFSA’s website ([www.fi.se](http://www.fi.se)) and the Issuer’s website ([www.sveafastigheter.se](http://www.sveafastigheter.se)). Paper copies may be obtained from the Issuer.

This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional Prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. Subject to certain exemptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Bond implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to Prospectuses in the Prospectus Regulation.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors. Certain financial and other information set forth in this Prospectus has 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.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds 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 Bonds, the merits and risk of investing in the Bonds 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 Bonds and the impact other Bonds 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 Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with 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.

The Prospectus contains certain forward-looking statements that reflect the Issuer’s current views or expectations with respect to future events and financial and operational performance. The words “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

Factors that could cause the Issuer’s and the Group’s actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in “*Risk factors*”. The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section.

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Prospectus is also derived from estimates made by the Issuer.

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## Risk factors

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

*The description below is based on information available as of the date of the Prospectus. The risk factors that are currently considered to be the most material are presented first in each category and the subsequent risk factors are presented in no particular order.*

*The risks and uncertainties described below could have a material adverse effect on Sveafastigheter's business, financial position and/or results of operations.*

## Risks related to Sveafastigheter's industry and market

### *Sveafastigheter is subject to risks related to interest rates*

Interest rates have a particularly significant influence on the Group, as they affect the overall demand for real estate, the Group's financing cost and the value of the Group's properties. For example, in 2022 and 2023, inflation increased in many countries globally, including Sweden, which led to a significant increase in central bank interest rates following a period of low or negative interest rates in Sweden. During the same period, the Swedish Central Bank (Sw. *Sveriges Riksbank*) increased its policy rate from 0.00 percent in the beginning of 2022 to 4.00 percent by the end of 2023. In 2024, however, the Swedish Central Bank deviated from its previous course of policy rate by deciding to lower the key interest rate policy rate on several occasions.<sup>1</sup> Although inflation levels have come down and central bank rates appear to have stabilised and/or be subject to reductions, it cannot be ruled out that interest rates stay at higher levels for extended periods of time or increase. The Group is exposed to rising interest rates and inflation as its property portfolio consists entirely of residential properties<sup>2</sup> for which, except for certain of the Issuer's commercial premises, rent-setting mechanisms are regulated by law and negotiated with the Swedish Tenants Association (Sw. *Hyresgästföreningen*) annually. The general rent-setting mechanism (called the 'value-of-use' method) for determining rent levels in Sweden typically takes factors such as consumer price index and increased property owners' interest expenses into account, but the rent level determination is based on a totality of factors. This leads to rent increases occurring with a certain delay and may mean that the rent increases do not fully compensate for the Group's increased costs. Though the Issuer has not experienced this historically over longer time periods, there is no guarantee that the aforementioned factors will be fully accounted for (or at all) in any of the Issuer's future rent negotiations. If Sveafastigheter does not succeed in fully compensating for rising interest rates and inflation by increasing its rent levels it may have an adverse effect on the Group's results of operations.

The increase in interest rates during 2022 and 2023 had also a negative impact on valuations of residential properties in Sweden and any future increase in interest rates may require Sveafastigheter to recognise losses due to market value adjustments. Such losses would result in a corresponding decrease in the value of Sveafastigheter's properties as recognised on its balance sheet and increase Sveafastigheter's loan-to-value ratio. Further, increases in interest rates generally may cause investor demand for

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

<sup>2</sup> Defined as properties with more than 50 percent of rental value from residential properties.

residential properties to decrease and could also have an adverse effect on the ability of potential buyers to finance property acquisitions in the event that Sveafastigheter were to sell a property. An increase in interest rate levels could also lead to a breach of financial covenants in the Group's financing agreements, which in turn could lead to Sveafastigheter being required to repay loans prematurely (see further section "*– Risks related to Sveafastigheter's financing arrangements and financial information in the Prospectus – Sveafastigheter's operations are partly financed by incurring debt, which entails certain risks, including risks related to financial covenants and refinancing risks*").

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

### ***Sveafastigheter's profit and profitability may be subject to regional variations in Sveafastigheter's real estate portfolio and demographic trends in Sveafastigheter's markets***

Sveafastigheter's properties are located in different regions in Sweden, such as Stockholm-Mälardalen, university cities, Malmö-Öresund and Greater Gothenburg. Both between and within these regions, regional variations and trends can lead to significant differences in the real estate and rental markets in terms of economic conditions, supply and demand levels and returns on real estate investments as well as demographic trends. Although Sveafastigheter has historically benefited from demographic trends and income growth in the regions in which the Company operates, there can be no assurances that the economy or the demographic trends will continue to develop favourably in Sveafastigheter's regions. If, for example, the income growth in any of Sveafastigheter's regions decreases significantly due to local economic conditions, such as a decline in job opportunities in or in proximity to a specific region, or if the infrastructure of the regions would change, for example in relation to commuting opportunities, demand for rental apartments and the total rent levels in that region could decrease. A current example is Northvolt's bankruptcy filing in 2025. As the Company's portfolio in Skellefteå as of 31 March 2025 corresponded to approximately 8% of the property portfolio under management, the bankruptcy, if the outcome of the same means fewer jobs, could result in rising vacancy rates in the area, which would be expected to have an adverse effect on property valuations in the area.

Furthermore, approximately 93 percent of Sveafastigheter's project development portfolio was located in the Stockholm-Mälardalen region as of 31 March 2025 and, as such, the region is expected over time to become the Group's main region in terms of property value, increasing the geographical focus of Sveafastigheter's property portfolio and, consequently the exposure to any developments in the Stockholm-Mälardalen region. Sveafastigheter may not be able to react in a timely manner to adverse developments in one or more of its focus regions, and the municipalities' real estate markets may be more illiquid than other municipalities' real estate markets, resulting in difficulties for conducting property sales (see further section "*– Sveafastigheter is exposed to the risk that it, when needed, may be unable to sell portions of its portfolio on favourable terms or at all*"). This could result in a situation where Sveafastigheter has a large property portfolio in, and significant investments tied to, regions where economic conditions could develop unfavourably, which could then affect the Group's occupancy rates and rent levels, and, in turn, adversely affect the Group's rental income as well as its overall business, financial position and results of operations.

### ***Sveafastigheter is exposed to risks associated with macroeconomic factors and political risks***

The Company's business is affected by, in addition to what has been mentioned in the previous sections, general macroeconomic factors such as economic trends, economic growth, current and geopolitical events and trade policies. Examples of events that have led, or may lead, to significant market disruptions, lower economic growth and increased inflation pressures are the Russian military invasion of Ukraine, tensions in the Middle East and the introduction of, and announcements concerning, increased tariffs by President Donald Trump's administration. The real estate market, in which Sveafastigheter

operates, may as a result be affected by, among other things, higher electricity prices, operating costs and a generally hesitant financing market and deteriorating financing terms. Furthermore, substantially increased tariffs and escalating trade conflicts may risk increasing the price of imported goods, which in turn could lead to increased inflation. Should such a scenario materialise, there is a risk that central banks may raise interest rates in order to combat inflation, which could lead to increased financing costs for real estate companies and a subdued demand for properties, see also the section '*Sveafastigheter is subject to risks related to interest rates*' for further information. In addition, Sveafastigheter is developing new residential properties and the Company's ability to carry out financially profitable property development projects risks being affected by increased tariffs, higher prices and rising inflation, as construction costs would increase if the price of imported raw materials and materials becomes more expensive.

Should any of the above risks materialise, it could have a material adverse effect on Sveafastigheter's overall business, financial position and/or results of operations.

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

Sveafastigheter's properties are reported at fair value on Sveafastigheter's balance sheet with unrealised changes in value reported on the income statement. Sveafastigheter reports its property holdings at fair value in accordance with Sveafastigheter's accounting and valuation principles.

Property valuations represent the opinion of the independent valuer and the assumptions underlying the reports are tested as is customary. Property valuations are therefore to some extent subjective and are based on a number of assumptions that may not prove to be accurate. Such assumptions include property specific assumptions regarding rent levels<sup>3</sup>, occupancy rates, operating expenses, environmental liabilities in relation to building rights as well as market specific assumptions regarding macroeconomic developments, general economic trends, regional economic development, employment rates, salary levels, production rates of new construction, changes in infrastructure and inflation and interest rates in Sweden. It cannot be excluded that the underlying assumptions in past or future valuations of the properties may prove to be incorrect. Consequently, there is a risk that the valuations do not accurately reflect the value of the Group's properties or the prices at which the properties can be disposed. Moreover, the valuation methods that are currently generally accepted and that were used for the purpose of developing valuation reports of the Group's portfolio may in hindsight be determined to be unsuitable. The uncertainty range for individual properties is normally within an interval +/- 5-10 percent, and should be seen as a measure of the uncertainty in the assumptions made. In a less liquid market, however, the range may be greater. As an example, for the Issuer, an uncertainty interval of +/- 5 percent translates to a value interval of +/- SEK 1,245 million, corresponding to SEK 26,152-23,663 million in relation to the Issuer's standing assets as of 31 March 2025.

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

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

Sveafastigheter may need to liquidate parts of its portfolio on short notice, such as to raise working capital or to repay outstanding debt, and there is a risk that Sveafastigheter in such a situation may not be able to sell any portion of its property portfolio on favourable terms or at all. In an urgent sale or a

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<sup>3</sup> Based on the Group's actual rental flows and how the Group expects these to develop over time.

sale during a market downturn, the shortfall between the sales price for the property or property portfolio and the price at which Sveafastigheter would normally receive in the event of a sale of the same property or portfolio could be considerable. Furthermore, a small part of Sveafastigheter's property portfolio is located in municipalities whose property markets may be more illiquid than those of other municipalities, which may result in the price Sveafastigheter receives for properties in a more illiquid market being lower than expected or that the property cannot be sold at all. The above-mentioned differences in actual and expected sales price could furthermore mean that the Group breaches the terms of financing agreements entered into (see also section "*Risks related to Sveafastigheter's financing arrangements and financial information in the Prospectus – Sveafastigheter's operations are partly financed by incurring debt, which entails certain risks, including risks related to financial covenants and refinancing risks*") In addition, Sveafastigheter may face further difficulty in disposing of its properties due to covenants and pledges limiting asset disposals in Sveafastigheter's financing agreements. These restrictions could complicate or delay any proposed sale of properties.

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

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

Sveafastigheter is a real estate company that owns, actively manages and develops residential properties. There are other companies that compete for the same assets and properties as Sveafastigheter. The competition comes in particular from other real estate companies with a focus on residential properties such as Wallenstam AB (publ), K-Fast Holding AB (publ), Fastighets AB Balder (publ), Heimstaden AB (publ), Neobo Fastigheter AB (publ) (within listed real estate companies), Stena Fastigheter AB, Victoriahem AB, Einar Mattsson AB and Rikshem AB (publ) (within non-listed real estate companies) as well as public housing real estate companies that operate in the same regions as Sveafastigheter.

Vacancy rates for residential properties in Sweden have historically been, and continue to be, low<sup>4</sup> due to lack of housing and, hence, competition for new locations is high, including undeveloped land for new construction (e.g., through land allocations and acquisitions of building rights). A prerequisite for Sveafastigheter to be able to construct new buildings is to obtain building rights and land allocations, i.e., building rights that are attractive in terms of price in relation to the project's expected costs and established profitability requirements, as well as geographical location. The competition for building rights is particularly challenging in attractive locations with limited availability, such as the Stockholm-Mälardalen region. In relation to land allocation procedures, the developer that wins a land allocation normally has the exclusive right, for a certain period of time and under certain conditions, to negotiate with the municipality on the use of the land that has been allocated to the developer. In land allocation procedures and other municipal or private tenders that are announced, the Group normally competes with several other participants.

The Issuer's competitors for land allocations and building rights may have the ability to compete more effectively through, for example, greater financial resources, better capacity to withstand market downturns, higher acceptance of lower yield requirements, as well as better opportunities to obtain more attractive financing and react more quickly to changes in local markets.

If the Group is unable to compete successfully by, for example, not succeeding in acquiring building rights, or obtaining or extending land allocations on terms acceptable to the Group, it may adversely

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<sup>4</sup> Statistics Sweden, statistical database. The data includes residential apartments on the market, however, special housing, meaning residences permanently reserved for certain well-defined groups (such as elderly care homes, group homes, or student housing) are not included.

affect the Group's rent levels and vacancy rates and, ultimately, it could have a material adverse effect on the Group's business, profit and financial position.

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

During new construction developments it is important for the Issuer to focus on the appeal of the property to prospective future tenants, which includes factors such as the size, quality of the apartment, location and access to public transportation, amenities and Sveafastigheter's reputation. It may be difficult to attract tenants for new properties due to a number of reasons, including higher rent levels for new construction due to the possibility to implement so-called presumption rents during the first 15 years to, among other things, cover building costs. Moreover, essential services such as developed public transport and road infrastructure as well as schools and preschools may have less or no access or still be under construction. In addition, Sveafastigheter's ability to attract tenants is dependent on the Issuer's ability to anticipate and adapt to current and future trends and needs in the housing market.

Although Sveafastigheter can manage vacancies by offering short-term discounts to potential tenants, such discounts may not be sufficient. If Sveafastigheter is unable to successfully attract tenants to its new construction developments, it may adversely affect economic occupancy rates and rental income from the new construction development, which in turn may affect the profitability of the development project, which could have a material adverse effect on the Group's business, financial position and results of operations.

## **Risks related to Sveafastigheter's operations**

### ***Sveafastigheter may fail to achieve its financial and operational targets***

The Group has adopted a number of financial targets including, among other things, that the surplus ratio shall exceed 70 percent within the next five years, the growth in long-term net asset value (NAV) shall, over a business cycle, annually amount to at least 12 percent per share, the loan-to-value ratio shall, over time, be between 40-50 percent, depending on prevailing market conditions, that the net debt to EBITDA ratio shall not exceed 15x and that the interest coverage ratio shall exceed 1.50x. In addition, the Group has adopted operational targets, including starting construction of at least 600-800 apartments and obtaining land allocation agreements for new construction of at least 800 apartments annually over the next five years. There is a risk that the Group may fail to achieve the Group's targets, or expectations in respect to its financial targets. There is also a risk that the Group will fail to successfully implement its intended strategic actions or achieve established operational targets or may not be able to realise all or part of the benefits expected from its current plans or other future initiatives. No assurance can be given that the implementation of the Group's strategy and/or the achievement of its financial or operational targets will be successful under current or future market conditions. The Group's approach may also be modified and altered from time to time. It is therefore possible that the approach adopted to implement its strategy and achieve its financial and operational targets in the future may be different from that presently expected to be used.

Furthermore, the Group's ability to achieve certain of its operational targets is dependent on several factors, including its relationships with municipalities and the Group's ability to identify suitable acquisitions of building rights and obtain the necessary financing. If the Group's relationships with municipalities change in such a way that, for example, the Group is no longer able to implement its property projects or if the necessary financing cannot be obtained or on terms acceptable to the Group, the Group risks not to achieve its operational and financial targets.

If the Group is unable to achieve its financial and/or operational targets, this could have a material adverse effect on the Group's business and operating profit.



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

The Swedish residential rental market is regulated, meaning that the rents for tenants do not follow market pricing. Rents are generally subject to annual negotiations with the Swedish Tenants Association (Sw. *Hyresgästföreningen*) and, generally, the value-of-use method (Sw. *bruksvärdesprincipen*) is applied to determine rent, meaning that the rent shall correspond to the assessed value-of-use of the apartment, which aims to ensure that rent levels do not increase too rapidly and remain at reasonable levels. Using the value-of-use method, rent levels are set based on an assessment that aims to determine how tenants value the characteristics of any such apartment, and hence, the subjective opinions and different needs of individuals do not affect the assessed value-of-use. The Swedish rent regulation entails that the rent levels in Sweden can both be higher or lower than a household's ability and willingness to pay for the corresponding residential unit in an unregulated market. However, exceptions regarding rent levels apply for new constructions, where the property owner of a newly built residential property may charge a higher rent (called "presumption rent") than the comparable value-of-use assessed rent for the first 15 years of the life of a new premises, which functions to offset construction and/or investment costs relating to the project.

Due to the regulated market, Sveafastigheter is not able to raise its rent levels for its properties at its own discretion, and the Group's rent levels are only increased annually, with the exception of upgrades, other investments that add value-of-use to the apartment or the property and/or value-of-use-tests completed during the year. While increased property owners' expenses, such as increases in interest rates, may be considered in the calculation of value-of-use rents, the calculation is based on a totality of factors, and Sveafastigheter alone does not have the ability to unilaterally raise rents. Accordingly, should Sveafastigheter's expenses increase during any given year, the Group may not be able to compensate for such increased expenses by correspondingly increasing its rent levels. This may be the case if, for example, the Group's funding costs on existing or new loans increases due to rising market interest rates, or for any other reason, before rent increases which take into account the increase in markets interest rates is implemented.

Once 15 years have passed, and the property owner's right to determine rent for a new development using the presumption rent method has lapsed, the rent of the property shall subsequently be determined using the value-of-use method. However, as the system for presumption rents was first introduced in 2006 and subsequently amended in 2013, the application beyond the 15-year period is uncertain as there is a lack of established practice and precedent guiding how rents should be adjusted when rents should switch from the presumption rent method to the value-of-use method. Even though the intention is that the rent level using the presumption rent method shall be corresponding to the rent level using the value-of-use method at the end of the 15-year period, it cannot be ruled out that the presumptive rents set exceed the rent of the flats under the utility value method.

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

***Unfavourable developments affecting Sveafastigheter's economic occupancy rate could reduce Sveafastigheter's rental income and profitability***

Sveafastigheter's rental income and profitability are affected by its economic occupancy rate. Sveafastigheter's economic occupancy has been 94.3 percent and 94.6 percent in 2023 and 2024. Although the Swedish residential property market has historically been characterised by a shortage of housing and low vacancy levels, there can be no assurances that Sveafastigheter will be able to maintain its economic occupancy rate at historical levels in the future or increase it. The economic occupancy rate is affected by several factors, including rent levels, tenant turnover, the level of housing supply, housing demand in any given area, as well as standard of the properties and the level of marketing for available

apartments. If Sveafastigheter's economic occupancy rate were to decrease, its total revenue would decrease, while its maintenance and financing costs would remain relatively constant, thereby adversely affecting its profitability.

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

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

One of Sveafastigheter's business areas is property development projects in the form of new construction in Sweden. As of 31 March 2025, the Issuer's project development portfolio contained approximately 6,266 apartments, of which approximately 908 were ongoing construction and 5,358<sup>5</sup> were non-started projects, with an estimated property value at completion of SEK 18.2 billion (SEK 2.2 billion for ongoing construction and SEK 16.0 billion for non-started projects)<sup>6</sup> as well as building rights corresponding to approximately 344,000 square meters, of which 132,000 square meter have gained legal force. Due to the size of the portfolio of property development projects, it is important that such projects can be carried out with financial profitability in line with the Issuer's financial and operational targets (for more information, see section "*– Sveafastigheter may fail to achieve its financial and operational targets*"). Sveafastigheter's ability to carry out financially profitable property development projects is dependent on a number of factors, such as its ability to procure construction contracts for the implementation of the projects on terms acceptable to the Group, sourcing attractive projects and financing of projects (including whether creditors allow final placement of any building credits), whether the projects sufficiently meet market demand, whether demand or rents in general change, lack of planning, analysis and cost control, the financial standing of the contractors and suppliers it uses (see further section "*– Sveafastigheter is exposed to risks relating to unfavourable contractual terms, quality of work and weakened financial standing by contractors and suppliers*"), incorrect assumptions regarding soil contamination, technical deficiencies in constructions (such as hidden faults), changes in taxes and fees as well as other factors, such as macroeconomic factors and political uncertainties, that may lead to delays or increased or unforeseen costs in the projects or that projects cannot be completed (in a timely manner or at all), which could result in balance sheet impairments and the Issuer not being able to achieve its financial and operational targets.

Furthermore, the Group's ability to carry out property development projects in a financially profitable way is dependent on the Group succeeding in obtaining the necessary authority permits or decisions, for example, regarding the adoption of zoning plans. There is a risk that zoning plans related to the Group's projects will not be adopted by the relevant municipality, or that the Group will not receive a final decision on a zoning plan within the time period anticipated by the Group. The processes for adopting a zoning plan and subsequently granting a building permit is carried out under municipal auspices in accordance with the Swedish Planning and Building Act (Sw. *plan- och bygglagen (2010:900)*). As the processes are public procedures, concerned parties (such as neighbouring property owners and others with a legitimate interest) are allowed to submit their opinions on the proposed residential development

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<sup>5</sup> Excluding 1,300 condominiums.

<sup>6</sup> Based on external valuations made as of 31 March 2025, excluding condominiums.

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

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

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

Sveafastigheter regularly engages in ongoing upgrades and energy efficiency improvements across its property portfolio, which are aimed at enhancing net operating income, surplus ratio, and tenant satisfaction. The Issuer estimates that the number of apartments in its current property portfolio with upgrade potential amounts to approximately 3,500. Based on the apartments that are eligible<sup>7</sup> for upgrade, Sveafastigheter estimates the potential upgrades could lead to an annual rent increase of approximately SEK 350–500<sup>8</sup> per square meter depending on the scope of the upgrade, a reduction of maintenance costs by SEK 25–30<sup>9</sup> per square meter, and an average yield on cost of approximately seven percent. While these activities are designed to improve the financial result and operational efficiency of the Group, they also introduce a number of risks that could adversely affect the Group's business and financial position. For example, the process of renovating properties is subject to the risk of cost overruns and unexpected delays. These risks may be realised due to a variety of factors, including but not limited to, increases in the cost of materials, labor shortages, unforeseen structural issues, and delays in obtaining necessary permits or approvals, which in turn could significantly delay the upgrade process as well as increase the costs associated with the upgrade projects, and thereby reducing the anticipated yield on cost and potentially impacting the Group's financial performance.

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

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<sup>7</sup> The apartments eligible for upgrade are built before the year 1990 with a rent level below SEK 1,250 per square meter (excluding Avesta portfolio).

<sup>8</sup> Based on the Issuer's historical levels of apartment upgrades.

<sup>9</sup> Based on the Issuer's historical levels of cost savings and the Issuer's estimations of what the alternative cost would have been for (i) normal maintenance after a tenant moves out and (ii) normal maintenance that a tenant may require for the apartment to be habitable.

improvements do not perform as anticipated or if other maintenance issues arise that were not addressed by the upgrades.

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

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

Sveafastigheter's property costs include operating and maintenance costs. Operating costs consist mainly of costs that are rate-based, such as costs for property electricity, cleaning, water and heating. Sveafastigheter's operating and maintenance costs totalled SEK 478 million in 2024 and SEK 422 million in 2023. Operating and maintenance costs may increase due to, among other things, inflation, which is beyond Sveafastigheter's control, and Sveafastigheter's operating and maintenance costs may increase more than Sveafastigheter currently anticipates. The Group is also particularly exposed to cost increases due to rising inflation, as Sveafastigheter's main source of income is derived from residential properties, for which rents do not necessarily increase at the same rate as inflation levels. To the extent that any increases in Sveafastigheter's operating and maintenance costs are not compensated through rent increases through the annual negotiations with the Swedish Tenants Association, Sveafastigheter's business, financial position and profit may be adversely affected. Damage and defects on properties can affect Sveafastigheter adversely, lead to increased costs and damage Sveafastigheter's reputation.

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

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

Sveafastigheter has furthermore entered into construction contracts with contractors, including new construction of residential properties. In construction contracts, the contractor normally provides time-limited warranties for the performance of the contract. There is a risk that these warranties do not fully, or sufficiently, cover all defects that may arise or that the defects are not detected in time or at all. Furthermore, there is a risk that a warranty cannot be enforced because the contractor is insolvent or because the contractor is otherwise unwilling to remedy the defect. There is also a risk that Sveafastigheter cannot invoke a warranty without additional costs, for example in the form of legal advice. There is thus a risk that any warranties cannot be fulfilled or that they can only be fulfilled with associated costs. If a

deficiency is not remedied under applicable warranties, for whatever reason, it may have an adverse effect on Sveafastigheter's business, financial position and results of operations.

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

### ***Sveafastigheter may have to repay investment and energy subsidies***

The Group has historically received investment and energy subsidies in connection with new construction developments. As an example, the Group has as of 31 March 2025 in total received approximately SEK 348 million in investment and energy subsidies. If the Group's applications have been incorrect, for example, due to that they have based information submitted therein on incorrect assumptions and prerequisites, the Group may be liable to repay such subsidies. For more information on risks related to damage and defects to properties, see *inter alia* the section “– Increased operating and maintenance costs may have an adverse effect on Sveafastigheter”. Faults and defects in properties may cause the Issuer to become liable for repayment as a result of not being able to achieve energy efficiency targets, which were a requirement for receiving the subsidies. In the event that the Group becomes liable to repay subsidies, irrespective of the reason, or if subsidies granted are not distributed, it could have a material adverse effect on the Group's results of operations and financial position.

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

Sveafastigheter relies on long-term contracts with its key contractors and suppliers to carry out certain services and tasks relating to, among other things, new construction, maintenance as well as repair and modernisation work of residential properties. By relying on contractors and suppliers, Sveafastigheter is exposed to a number of risks relating to these third-parties. For example, Sveafastigheter may not be able to enter into agreements with its contractors and suppliers on acceptable terms or, which the Issuer has experienced historically, the contractors and suppliers may experience financial or other difficulties, for example relating to a shortage of labour, industrial disputes and insolvency situations, which may affect their ability to provide services. The quality of the work carried out by the contractors and suppliers may be inadequate and may result in defects despite Sveafastigheter's efforts to ensure quality. Further, although Sveafastigheter aims to ensure the quality of the work performed by its contractors and suppliers, using contractors and suppliers may subject Sveafastigheter to cost overruns (such as an unexpected increase of labour and material costs), delays with contractors in completing work, delays in acquiring the necessary work permits as well as weak quality of work and errors.

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

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

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

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

In recent years, authorities, investors and other stakeholders have placed increasing demands related to environmental, social and governance (“ESG”). In February 2025, Sveafastigheter's board of directors set sustainability goals that the entire property portfolio should be climate-adapted and able to withstand climate risks by 2030, that zero serious personal injuries and zero fatalities should occur at Sveafastigheter's facilities and that Sveafastigheter's residential areas should be perceived as safer than the industry average. However, there is a risk that the Group may fail to achieve the Group's goal and/or expectations. Furthermore, there is a risk that the Group will fail to successfully implement its intended strategic actions or achieve established sustainability goals or may not be able to realise all or part of the benefits expected from its current plans or other future initiatives. In addition, investors may expect that the Group should implement new or different standards or targets related to ESG. For example, Sveafastigheter may be required to further reduce the Group's carbon footprint through reduced carbon emissions, reduced use of environmentally hazardous chemicals or more energy-efficient new construction. These external expectations on Sveafastigheter can be driven or reinforced by new disruptive business models, such as new technologies, new work processes and changed pricing models, in the markets where the Group operate. It may also be driven by new legislation (see further section “– *Legal, regulatory and corporate governance risks – Sveafastigheter's operations are exposed to environmental risks and must comply with various health, safety and environmental regulations and these may adversely affect Sveafastigheter's operations and future earnings*”), including such legislation coming from the EU in the form of directives and regulations. Examples of such legislation from the EU include the Energy Performance of Buildings Directive and the Corporate Sustainability Reporting Directive. Furthermore, climate change, environmental degradation, social issues and other ESG factors can pose challenges for buildings, tenants and/or society at large and as such the operations of Sveafastigheter. As a result, the Group may be required to consider stricter ESG ambitions or standards, for example in order for investors and lenders to want to invest, or increase their investments, in Sveafastigheter. If Sveafastigheter fails to effectively manage requirements in relation to ESG responsibilities or fails to achieve its sustainability ambitions, confidence in Sveafastigheter and its business and/or its access to capital may deteriorate. Compliance with ESG-related requirements may also place increased demands on Sveafastigheter's business, with increased costs as result, which could have an adverse effect on Sveafastigheter's financial position and operation profit.

## Risks related to Sveafastigheter's financing arrangements

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

Sveafastigheter's financing arrangements consists of bank loans of SEK 10,527 million (with an credit facility of SEK 1,000 million) with Nordic commercial banks and bonds of SEK 1,616 million. The maturity structure of the aforementioned financing arrangements is SEK 108 million in 2025, SEK 2,798 million in 2026 (including the credit facility of SEK 1,000 million), SEK 9,602 million in 2027 and SEK 261 million in 2028. The financing arrangements contain financial covenants (including covenants on interest coverage ratio and loan-to-value ratio) that, in unfavourable market conditions, could have particularly negative consequences for the Group, including but not limited to the following:

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

Although the Issuer is of the opinion that it, or other companies in the Group, currently has sufficient room against its financial covenants, there is no guarantee that a breach of the aforementioned covenants will not take place in the future due to, for example, unfavourable market conditions or other unforeseen reasons. If Sveafastigheter or other companies in the Group would be in breach of one or more financial or other covenants in a financing agreement, this could lead to the financing becoming due for immediate repayment ahead of schedule, or that collateral is realised. If a financing becomes due for immediate repayment ahead of schedule it may, in accordance with cross default provisions, result in other obligations becoming due for repayment ahead of schedule as well. Cancellation of one or more financing raised by the Issuer or other companies in the Group, or realisation of pledged collateral, could have a material adverse effect on Sveafastigheter's liquidity, financial position, profit and prospects.

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

Furthermore, the Group is dependent on being able to obtain new financing when existing debt falls due. Sveafastigheter's ability to obtain such financing depends on its business, prospects and market conditions. There is a risk that the Group will be unable to secure financing at favourable rates or at all, due to, for example, the loans in the future may need to be obtained at significantly higher costs, that lenders

may choose not to extend the Group's loans at maturity or there may not be alternative credit facilities at the Group's disposal. Additionally, the Group has, and may in the future continue to, raise debt by accessing the capital markets. Capital markets are affected by general market conditions and the Group is therefore exposed to the potential effects of adverse market conditions such as interest rate fluctuations and inflation which may affect the Group's ability to access capital markets. For example, Sveafastigheter may not be able to issue bonds under its medium-term note programme on favourable terms. A general downturn in the general economic climate or disruptions in the capital and credit markets could further lead to Sveafastigheter's access to financing being limited and Sveafastigheter's ability to refinance its credits disappearing. For example, the Russian military invasion of Ukraine, tensions in the Middle East and the imposition of, and announcement of, increased tariffs by President Donald Trump's administration have led to significant market disruptions, including significant volatility in international credit and capital markets and deteriorating financing conditions, which have led to, and may continue to lead to, material adverse effects on the Group's business through its operations. If Sveafastigheter in the future either fails to obtain the necessary financing or does not have sufficient liquidity to fulfil its obligations or the ability to refinance its debts or can only refinance its debts at significantly increased costs or on terms unfavourable to Sveafastigheter, it may have a material adverse effect on Sveafastigheter's business and financial position, which in turn could affect the Group's ability to repay debts as they fall due.

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

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

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

### ***Fluctuations in interest rate levels may increase the costs of financing***

Sveafastigheter's operations are financed through equity and debt financing from credit institutions and public debt markets. The Issuer's interest expenses for such debt financing are one of Sveafastigheter's



largest cost items. In addition to the level of interest-bearing liabilities, interest expenses are mainly affected by the level of current market interest rates and credit institutions' margins.

Even if Sveafastigheter to some extent uses interest rate derivatives in the form of interest rate swaps to manage interest rate risk, in the long term, changes in interest rates can have a material effect on Sveafastigheters profit and cash flows. Before 2022, interest rates in Sweden and in the EU have had a material effect on the residential real estate market leading to high valuations for residential properties. These rates were raised in 2022 from 0.00 per cent to 4.00 per cent at the end of 2023. In 2024, however, the Riksbank deviated from the previous trend of raising the policy rate by deciding on several occasions to lower the policy rate.<sup>10</sup> Although the policy rate has come down and central bank rates appear to have stabilised and/or be subject to reduction, it cannot be ruled out that interest rates remain at current levels for extended periods or increase. Any increases in interest rates could lead to a breach of financial covenants in the Group's financing agreements, which in turn could lead to Sveafastigheters being required to repay loans prematurely (see further section "*– Sveafastigheters operations are partly financed by incurring debt, which entails certain risks, including risks related to financial covenants and refinancing risks.*"). Any changes in inflation and interest rates may therefore affect the market value of the Group's properties. Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial position, profit and prospects.

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

Some of the Group's financing agreements contain certain provisions that may be triggered by a change of control of the Group. Under the Group's financing agreements, a change in ownership occurs in the event if, amongst other things, any person, or group of persons acting in concert (directly or indirectly) takes control over 30 percent (or 50 percent in relation to the Group's bond loans) or more of the shares and/or votes in the Issuer. Furthermore, one of the credit agreements has a provision stating that a mandatory repayment is triggered if (i) Samhällsbyggnadsbolaget i Norden AB (publ):s ("SBB") shareholding (direct or indirect) in the Issuer falls below 50 percent and (ii) SBB thereafter acquires or otherwise regains direct or indirect control over 50 percent or more of the shares and/or votes in the Issuer. In the event of such a future change of control, certain rights of the counterparty or obligations of the Group could be triggered and come into force, which may affect the Group's future financing. If the Group's financing is affected, which could indirectly affect the Group's ownership of properties, this could have a material adverse effect on the Group's business, financial position, operating profit and prospects.

### ***A downgrade of Sveafastigheters current or future credit rating could lead to increased borrowing costs and affect access to capital markets***

In order to finance property acquisitions, the Group is dependent on having access to the capital markets and the Group's cost of borrowing will be affected by its credit rating. In the second quarter of 2025, Sveafastigheters has, in accordance with the Company's expectation, received an expected initial long-term credit rating from Fitch Ratings Limited of BBB-(EXP) with a Positive Outlook. The final rating is contingent upon the receipt of final medium-term note documentation conforming to information already reviewed by Fitch Ratings Limited and a loan being issued under the medium-term note programme. Third party rating agencies may also assign ratings on their own initiative to measure the Group's ability to repay its debts and these are based on criteria set by the agencies themselves. The Group's credit ratings are reviewed periodically and may be lowered or withdrawn.

Credit rating agencies base their ratings on a variety of factors, most of which are company-specific. However, some factors are related to the general economic situation beyond the Group's control. The Group cannot predict what actions the rating agencies will take, or what actions will need to be taken in

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<sup>10</sup> The Swedish Riksbank, <https://www.riksbank.se/sv/statistik/rantor-och-valutakurser/styrranta-in--och-utlaningsranta/>.

response to those agencies' actions. Any downgrade or withdrawal of the Group's credit rating would increase the Group's cost of borrowing and affect its flexibility and competitiveness. Changes in the methodology and criteria used by the rating agencies may result in rating downgrades that do not reflect changes in the general economic environment or the Group's financial position.

## **Legal, regulatory and corporate governance risks**

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

The Group operates in Sweden, and it must comply with various requirements set out in a number of laws, codes, acts and regulations including, among other things, zoning regulations, building standards and safety regulations. The Group's business is regulated by, among other things, the Swedish Environmental Code (Sw. *Miljöbalken* (1998:808)) and the Swedish Planning and Building Act (Sw. *plan-och bygglagen* (2010:900)). Failure to comply with the Swedish Environmental Code could result in environmental sanction charges, that amount to a minimum of SEK 1 thousand and maximum of SEK 1 million, while a violation of the Swedish Planning and Building Act could prohibit the continuation of building work on the Group's properties, the imposition of fees or the removal of any additions made in the course of an upgrade done without the necessary permits.

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

New acts and regulations, or a change in the application of existing legislation that the Group must take into account in its operations, or changes that affect the operations of the Group's tenants, may adversely affect the Group's business, financial position, operating profit and prospects. In addition, there is a risk that the Group's interpretation of existing codes, acts and regulations is incorrect, or that the accepted interpretation of these codes may change in the future. Furthermore, the procedures set up by the Group to comply with such codes, acts and regulations may be incomplete or inadequate, which could cause the Group to incur increased costs or face the risk of material fines or penalties. The Group also risks becoming involved in legal or administrative proceedings, which could result in significant claims for damages or other demands for payment, including claims for damages from customers or competitors for breaches of competition law.

It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceedings or claims and if the outcome of any ongoing or future legal or administrative proceeding turns out to be negative for the Group, this could have a material adverse effect on the Group's financial position and operating profit. The Issuer has applied to register (i) the figurative trademark comprising the Issuer's logotype and the word "SVEAFASTIGHETER" and (ii) the wordmark "SVEAFASTIGHETER" with the European Union Intellectual Property Office ("EUIPO"), however, an external party has formally opposed to these applications. Although the Issuer assesses that it has sufficient existing protection for the Issuer's business due to, *inter alia*, the registration of its company name, Sveafastigheter AB (publ), such objection proceedings with the EUIPO could result in, Sveafastigheter being unable to register the aforementioned trademark and wordmark, either by way of entire or partial refusal, which may entail that the Issuer has no, or a more limited, registered protection in the EU (including Sweden) for the

aforementioned trademark and wordmark (even though its existing protection would not be lost), and that the Issuer may have less favourable chances to defend its existing intellectual property rights for that reason going forward. The Issuer believes that the practical impact of a denial of its registration application would be that Sveafastigheter would not have exclusivity to the rights for which it has applied going forward. The Issuer assesses that such negative outcomes are unlikely, and any such decision by the EUIPO to refuse or partially refuse the registration(s) would be appealable. The Group also has a number of ongoing legal proceedings with a contractor regarding, among other things, the cancellation of construction contracts for certain projects in Eskilstuna and better rights to shares in some of the Company's underlying subsidiaries and related issues. The Issuer's view is that the contractor unlawfully, by producing incorrect company documents, replaced the Group's representatives in six subsidiaries and instead registered itself as a representative in order to unlawfully attempt to gain control over the subsidiaries in question and the properties owned by the companies. The Issuer is also of the opinion that the Group was entitled to cancel construction contracts entered into with the contractor relating to certain projects in Eskilstuna. Although the Issuer believes that a negative outcome in any of the current proceedings is unlikely, there could be negative effects on the Issuer's financial position and/or profitability if the counterparty is wholly or partially successful in one or more of its claims.

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

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

The Swedish residential rental market is regulated, meaning that the rents for tenants do not follow market pricing, and aims to ensure that rent levels do not increase too rapidly and remain at reasonable levels for the benefit of tenants (see further section “*Risks related to Sveafastigheter’s operations – Sveafastigheter operates in a regulated market, which affects Sveafastigheters’ ability to increase rents*”). In the event that there were to be a change in this system, or a switch to another system, due to, for example, political decisions or new regulations, this could pose a significant risk to residential property companies. While such changes may allow residential property companies to charge higher rents, there is also a risk that rent levels could be lowered due to unfavourable developments in, among other things, the general economy, economic vacancy rates or demographic trends in Sweden. This may lead to less predictable rental developments, which may result in more volatile rental income for the residential property companies and impair the Issuer's ability to forecast and manage cash flows effectively.

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

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

Sveafastigheter's operations are exposed to environmental risks and Sveafastigheter is subject to environmental regulations that may impose liability if Sveafastigheter fails to comply. Although Sveafastigheter conducts inspections in connection with the acquisition of individual properties, there is a risk that environmental regulations were not complied with. Under current environmental legislation in Sweden, an operator that has contributed to the contamination of a property is also liable for its remediation. If the operator cannot carry out or pay for remediation of the property, the party who acquired the property and who, at the time of acquisition, knew about or ought to have known about the contamination, is liable for the remediation. This means that under certain circumstances, Sveafastigheter may be ordered to restore the property to a state that is compliant with environmental legislation. This may involve soil decontamination or remediation in respect of the presence of, or suspicion of the presence of, contaminants in the soil, catchment areas or groundwater. The cost to Sveafastigheter of investigation, removal, or remediation may be substantial and therefore such orders may adversely affect Sveafastigheter's profit, cash flow and financial position. Furthermore, any future changes to the laws, regulations and requirements from authorities in the environmental sector could result in increased costs for Sveafastigheter with respect to sanitation or remediation regarding held or future acquired properties.

Sveafastigheter is subject to further regulation in areas such as occupational health and safety, the handling of asbestos and asbestos removal, as well as acts and regulations limiting emissions of greenhouse gases such as through energy and electricity consumption. These regulations may change and additional regulations may be introduced. Non-compliance with such acts and regulations may result in Sveafastigheter being forced to pay fees, fines or be subject to enforcement measures. Sveafastigheter may also in some cases be subject to, sometimes significant, restrictions on the operations of Sveafastigheter.

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

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

The Group operates through a number of subsidiaries in Sweden. The handling of tax issues within Sveafastigheter is based on interpretations of current, relevant, taxation legislation and other taxation regulations and decisions by the Swedish Tax Agency (Sw. *Skatteverket*). Furthermore, Sveafastigheter regularly obtains advice from independent tax advisers on these matters. From time to time, Sveafastigheter and its subsidiaries are subject to tax audits and reviews. There is a risk that tax audits or reviews will result in the imposition of additional taxes, for example in relation to intra-group transactions and previously finalised acquisitions, mergers, demergers and reorganisations of companies, hired consultants and deductions of interest expenses.

Furthermore, the Group engages consultants through consultancy agreements. Should such consultants, due to the terms and conditions of the consultancy agreements or circumstances related to the performance of the consultancy assignment, be considered as de facto employees, the Group may be required to pay social security contributions to the Swedish Tax Agency and provide employment benefits to such consultants. Further, such consultants would be subject to labour protection legislation. In addition,

the Group may also be denied deductions for input VAT on consultancy fees paid to such consultants and be subject to tax penalties of up to 20 percent of the incorrectly deducted VAT.

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

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

Sveafastigheter processes a variety of personal data, primarily including the data of its current tenants and employees both in electronic and physical form. Sveafastigheter also processes the data of relatives of its employees, applicants for apartments or employment, and investors. This personal data is mainly processed for the purpose of entering into and executing lease agreements or in order to execute employment agreements. Sveafastigheter has been affected by a few personal data breaches during the previous three years, which have been reported to the Swedish Authority for Privacy Protection (Sw. *Integritetsskyddsmynidgheten*) ("**IMY**"). IMY has decided to terminate these incidents without any action. The European Union's ("**EU**") General Data Protection Regulation 2016/679/EU ("**GDPR**") which objective is to harmonise EU laws on personal data and facilitate the flows of data across EU as well as to ensure that personal data enjoys a high standard of protection everywhere in the EU. The GDPR includes requirements for the handling of personal data. If Sveafastigheter's systems that house personal data are hacked, if Sveafastigheter has shortcomings in its processing of personal data or otherwise fails to comply with the GDPR, Sveafastigheter could be subject to substantial monetary fines which could have a material adverse effect on Sveafastigheter's business and financial position. The Swedish Authority for Privacy Protection can impose an administrative sanction fine on a company that violates GDPR rules. The fine can amount to at most EUR 20 million or four percent of the Group's total global turnover of the preceding financial year, depending on which is higher. For less severe violations the fine can at most be EUR 10 million or two percent of the Issuer's total global turnover for the preceding financial year, whichever is the highest.

## **Risks relating to the Bonds**

### **Risks related to the nature of the Bonds**

#### ***Credit and refinancing risks***

An investment in the Bonds carries a credit risk in relation to Sveafastigheter. The Bondholders' ability to receive payment under the Terms and Conditions is dependent upon Sveafastigheter's ability to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and financial position and the Group's financial position is affected by several factors, a number of which have been discussed in this section. Furthermore, since the Group's cash generating operations are carried out in the Group companies, Sveafastigheter's ability to meet its payment obligations under the Bonds is dependent on the value generated in the businesses of such Group companies, and in turn such Group companies' ability to transfer available distributable funds to it. Any transfers to the Sveafastigheter from the Group companies, e.g., in form of dividends or other distributions, revenues, intra-group loans may be restricted or prohibited by law and/or contractual arrangements, including each such Group Company's financing arrangements.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group would be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring its debt or seeking additional equity and/or debt financing. There is a risk that the Group will not be able to effect any of these remedies on satisfactory terms or at all. Another aspect of credit risk is that a decline in the financial position of the Group may reduce the prospects of the Group to receive financing at the time of maturity of the Bonds.

The Group's ability to successfully refinance the Bonds is dependent on the conditions of the debt and equity capital markets and the Group's financial position at the time such refinancing is carried out. In the event the Sveafastigheter is unable to refinance the Bonds or other outstanding debt of the Group, or if such financing can only be obtained on unfavourable terms, this could have an adverse effect on the Sveafastigheter's ability to repay the Bonds at maturity or any other early redemption or repurchase of the Bonds.

### ***Unsecured obligations***

The Bonds constitute unsecured debt obligations of Sveafastigheter and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of Sveafastigheter, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents. If Sveafastigheter would be subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy, or other insolvency proceedings, the Bondholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Further, following prioritised creditors receiving payment in full, the Bondholders will have an unsecured claim against the Sveafastigheter for the amounts due under or in respect of the Bonds, which means that the Bondholders normally would receive payment pro rata with other unsecured creditors. Consequently, a Bondholder may not recover any or full value in the event of Sveafastigheter's liquidation, bankruptcy, or company reorganisation. Each investor should be aware that by investing in the Bonds, it risk losing the entire, or part of, its investment.

### ***Risks related to Bondholders' currency measurement***

Payments in respect of the Bonds will be made in SEK and EUR. This presents certain risks relating to currency conversion if an investor measure its investments return or otherwise carries out its financial activities in a currency, or a currency unit (the "**Investor's Currency**") other than SEK or EUR. There can be no assurance that exchange rates may not significantly fluctuate (including due to devaluation of SEK, EUR or revaluation of the Investor's Currency) or that relevant authorities with jurisdiction over the Investor's Currency do not impose or modify exchange controls. Consequently, an appreciation in the value of the Investor's Currency relative to SEK or EUR could decrease the Investor's Currency-equivalent yield on the Bonds, the Investor's Currency-equivalent value of the principal payable under the Bonds and/or the Investor's Currency-equivalent market value of the Bonds. Consequently, Bondholders measuring their investments return by reference to an Investor's Currency may receive less interest or principal than expected.

## **Risks related to the Bondholders' rights and representations**

### ***Priority rights and structural subordination***

The Group has, as part of its financing, incurred debts to certain credit institutions and its shareholder(s), and security over the Sveafastigheter's assets has been provided in relation thereto mainly in the form of share pledges and pledges over mortgage certificates. Such secured loans normally constitute a preferential claim on the relevant Group Company. Subject to the provisions set out in the Terms and Conditions, there are limited restrictions as to what further debt and security that may be taken up or issued by Sveafastigheter. Hence, Sveafastigheter may seek further financing in which case further pledges to secure such financing may be provided. In addition, subject to certain exceptions, Sveafastigheter may retain, provide or renew security over certain of its current or future assets to secure, inter alia, bank loans, either via Sveafastigheter itself or any other Group Company, with security interests normally constituting a preferential claim on the borrower. No present or future shareholder or subsidiary of the Sveafastigheter (or any other party) will guarantee Sveafastigheter's obligations under the Bonds.

Almost all assets are owned by and all revenues are generated in subsidiaries of the Sveafastigheter. Thus, Sveafastigheter is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to make payments under the Bonds. The subsidiaries have no obligation to make payments to the Sveafastigheter of any surpluses generated from their business. The subsidiaries' ability to make payments is restricted by, among other things, the availability of funds, corporate restrictions and law.

Furthermore, the Terms and Conditions allow the Group companies to incur certain additional debt. If Sveafastigheter's subsidiaries incur additional debt, the right to payment under the Bonds will be structurally subordinated to the right of payment relating to debt incurred by the subsidiaries of Sveafastigheter, which could have a negative impact on the Bondholders' recovery under the Bonds. Sveafastigheter also has the right to incur *pari passu* debt with the Bonds, which could also risk reducing recovery under the Bonds. In the event of the insolvency or liquidation of (or a similar event relating to) one of the Sveafastigheter's subsidiaries all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before Sveafastigheter (as a shareholder) would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries and there is a significant risk, should a subsidiary be subject to, inter alia, an insolvency or liquidation proceeding, that Sveafastigheter will not be entitled to any payments.

### ***Risks related to acceleration of the Bonds and put option***

Upon the occurrence of an Event of Default (as defined in the Terms and Conditions), the Bonds may be accelerated at the terms and price set out in the Terms and Conditions. Furthermore, in the event of a:

- (a) Change of Control Event, meaning the occurrence of an event or series of events whereby one or more Persons (other than an Eligible Buyer, the Main Shareholder or any Main Shareholder or any Main Shareholder Company) acting in concert, acquire control over the Company and where "**control**" means:
  - (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Sveafastigheter; or
  - (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Sveafastigheter,

save that the occurrence of such an event or series of events as set out above shall not be deemed to constitute a Change of Control Event if occurring as a result of a successful IPO (or, for the avoidance of doubt, if any Eligible Buyer acquires such control);

- (b) a Listing Failure Event; or
- (c) a De-listing Event,

(each term as defined in the Terms and Conditions) occurring, the Bonds will be subject to prepayment at the option of each Bondholder (put option) at the terms and price set out in the Terms and Conditions. There can be no assurance that the Sveafastigheter will have sufficient funds at the time of such prepayment or acceleration to make the required redemption of, or payment in respect of, the Bonds. In addition to an investor running the risk of losing part of, or its entire investment, this could in turn adversely affect the Sveafastigheter, e.g., by causing illiquidity, insolvency or an Event of Default under the Terms and Conditions, and consequently adversely affect all Bondholders, and not only those that choose to exercise the put option.

### ***Voluntary early redemption***

Sveafastigheter has, pursuant to the Terms and Conditions, reserved a right to redeem the Bonds in full prior to the final maturity date on any Business Day falling on or after the First Issue Date of the Bonds. Such redemption may be made at a price of 100 per cent. of the nominal amount of the Bonds. The possibility for Sveafastigheter to, at its own discretion, redeem the Bonds may negatively affect the market value and secondary trading of the Bonds, and the market value for the Bonds will most likely not be significantly higher than the redemption price. If Sveafastigheter exercises its right to early redemption of the Bonds when the market value of the Bonds is higher than the redemption price, it could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Bonds.

### ***No action against Sveafastigheter and Bondholders' representation***

In accordance with the Terms and Conditions, the Agent will represent the Bondholders in all matters relating to the Bonds and an individual Bondholder is not entitled to bring any action against Sveafastigheter relating to the Bonds unless such actions are supported by the majority pursuant to the Terms and Conditions. Consequently, there can be no assurance that the market value of the Bonds may decline meanwhile a requisite majority of Bondholders are not willing to undertake legal action against the Issue. Such unwillingness or passivity, as the case may be, to take action against Sveafastigheter (in breach of the Terms and Conditions), could therefore adversely affect an acceleration of the Bonds or other actions against Sveafastigheter. For instance, should an individual Bondholder initiate insolvency proceedings against Sveafastigheter, such proceedings could, despite being contractually non-valid under the Terms and Conditions, be legally valid and thus cause Sveafastigheter or Bondholders damage.

Furthermore, under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all Bondholders, including the right to consent to amendments and waivers in respect of the Terms and Conditions. Consequently, there can be no assurance that actions so taken by certain majorities of Bondholders would affect the Bondholders' rights under the Terms and Conditions in a manner undesirable for some Bondholders. Moreover, a failure by the Agent to properly perform its duties and obligations under the Terms and Conditions could adversely affect the enforcement of rights by the Bondholders.

## **Risks related to the admission to trading of the Bonds**

### ***Liquidity risks and secondary market***

Subject to the Terms and Conditions, Sveafastigheter has had the Bonds admitted to trading on Nasdaq Transfer Market of Nasdaq Stockholm within sixty (60) days after the first issue date and has the intention to, within 12 months from the First Issue Date, have the Bonds admitted to trading on the corporate



bond list of Nasdaq Stockholm or another regulated market (as defined in Directive 2014/65/EU on markets in financial instruments), for which purpose this Prospectus is prepared. There is, however, a risk that the Bonds will not be admitted to trading within the aforementioned time frame, or at all, or following a successful admission is unable to maintain the listing of the Bonds on a regulated market. Even if the Bonds are admitted to trading, active trading in the Bonds may not always occur and thus, there can be no assurance that a liquid market for trading in the Bonds will exist or be maintained. If a liquid market for trading in the Bonds will not exist or cannot be maintained, it may lead to Bondholders being unable to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market, or can only sell their Bonds at a loss. Consequently, lack of liquidity in the market may have a negative impact on the market value of the Bonds.

Furthermore, pursuant to the Terms and Conditions, each Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the open market. Even if such Bonds may not be cancelled, the secondary trading of the Bonds may be affected as a result of such purchase, and where such purchase is merely made for the Group's liability management and is not communicated to the market, there can be no assurance that the trading in the secondary market accurately reflects whether a liquid market for the Bonds exists or not.

Furthermore, the Bonds carry a fixed interest rate at a level that may not correspond to current market expectation in terms of yield and may reduce the willingness to invest in the Bonds due to the inability to absorb interest rate risk. This may adversely affect the trading in the secondary market.

It should also be noted that during a certain period of time, it may be difficult or impossible to trade the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions or other regulatory restrictions preventing trading of the bonds in close connection to, for instance, redemption.

## **Responsibility for the Prospectus**

This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Prospectus Regulation. The board of directors of the Issuer is responsible for the Prospectus and, to the best of the knowledge of the board of directors of the Group, the information provided in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. While the Issuer is the primary source of company-specific data contained in this Prospectus, information from third parties, such as Morningstar Sustainalytics, the Swedish Riksbank and Statistics Sweden, has also been included. Such information has, to the best of the Issuer's knowledge, been accurately reproduced, and no facts have been omitted that would render the reproduced information inaccurate or misleading.

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 5 July 2024 was authorised by a resolution of the board of the Issuer on 12 June 2024.

Stockholm, 26 May 2025

**Sveafastigheter AB (publ)**

*The board of directors of the Issuer*

## **Overview of the Bonds and the use of proceeds**

This section contains a general description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. The Terms and Conditions for the Bonds can be found in the section Terms and Conditions. Terms and concepts defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context or otherwise defined in this Prospectus.

This Prospectus has been approved by the SFSA as competent authority under the Prospectus Regulation. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. 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 Bonds. Investors should make their own assessment as to the suitability of investing in the securities.

The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply from the time when trading of the Bonds on a Regulated Market begins.

## **The Bonds**

The Bonds have a Nominal Amount of EUR 100,000 each and are denominated in Euro. The aggregate nominal amount of the Bonds is EUR 110,900,000. In total, 1,109 Bonds have been issued. All Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.

Subsequent Bonds may be issued in accordance with Clause 2.6 of the Terms and Conditions. This Prospectus is prepared solely for the admission to trading of the Bonds. If any Subsequent Bonds are issued a new prospectus will be prepared for the potential admission to trading of such Subsequent Bonds, unless an exemption for a new prospectus may be applied, including but not limited to the exemption where the Subsequent Bonds constitute less than 30% of the Bonds already admitted to trading on the same regulated market under the same ISIN code, in accordance with the Prospectus Regulation.

The maximum aggregate nominal amount of the Bonds may not exceed EUR 183,500,000 unless a consent from the Bondholders is obtained in accordance with the Terms and Conditions. Subsequent Bonds shall be subject to the Terms and Conditions and, for the avoidance of doubt, the ISIN, the interest rate, the Nominal Amount and the Final Maturity Date applicable to the Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount.

## **ISIN and common code**

The Bonds have been allocated the ISIN code SE0022244018. The Bonds have been admitted to trading on Nasdaq Transfer Market under the ticker SVEFAS 4.75 01/29/27.

## **Form of the Bonds**

The Bonds are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Bondholder. Hence, no physical bonds have been issued. The Bonds are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Bonds shall be directed to an Account Operator. The Bonds are governed by Swedish law and are

unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. *ensidig skuldförbindelse avsedd för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

The Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

## **Status of the Bonds**

The Bonds are constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.

See further in Clause 2.8 of the Terms and Conditions.

## **Issuance, repurchase, redemption and calculation**

### **First Issue Date and Final Maturity Date**

The Bonds were issued on 5 July 2024. The Final Maturity Date of the Bonds is 29 January 2027. The Issuer may only redeem the Bonds in the circumstances described in Clause 9 (*Redemption and repurchase of the Bonds*) of the Terms and Conditions as described below.

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

### **The Issuer's purchase of bonds**

The Issuer may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. Bonds held by the Issuer may at its discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds or repurchase of all Bonds not already held by the Issuer.

### **Voluntary total redemption (call option)**

The Issuer may redeem all, but not some only, of the outstanding Bonds in full any time from (and including) the First Issue Date to (but excluding) the Final Maturity Date, at an amount per Bond equal to one hundred (100) per cent. of the Nominal Amount together with accrued but unpaid Interest.

**Early redemption due to illegality (call option)**

The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

**Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)**

Upon the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event, each Bondholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, the Listing Failure Event or the De-Listing Event, as the case may be, pursuant to Clause 10.1.3 of the Terms and Conditions (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event, the Listing Failure Event or the De-Listing Event, as the case may be.

**Notice of redemption**

Redemption in accordance with Clause 9.3 (*Voluntary total redemption*) of the Terms and Conditions shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. Redemption in accordance with Clause 9.4 (*Early redemption due to illegality*) of the Terms and Conditions shall be made by the Issuer giving notice no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

**Cancellation of Bonds**

Bonds held by the Issuer may not be cancelled by the Issuer (except for any Bonds repurchased pursuant to Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)*)) of the Terms and Conditions or in connection with a redemption or repurchase of the Bonds in full).

See further in Clause 9.2 of the Terms and Conditions.

**Payments in respect of the Bonds**

Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

See further in Clause 7 of the Terms and Conditions.

## **Interest, default interest and deferral interest**

### **Interest**

Each Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date.

Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).

The interest rate is four point seventy-five (4.75) per cent. *per annum*.

### **Default interest**

If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per centage points higher than the Interest Rate. The 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.

## **Admission to trading of the Bonds**

The Issuer shall ensure that the Bonds are admitted to trading on the corporate 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 twelve (12) months after the First Issue Date.

The Bonds will be admitted to trading on Nasdaq Stockholm on or around 28 May 2025. It is estimated that the Issuer's costs in conjunction with the admission to trading will be no higher than SEK 250,000.

## **Decisions by Bondholders**

A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.

Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 15.2.2 of the Terms and Conditions, in respect of a Bondholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 15.3.2 of the Terms and Conditions, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount.

A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders 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 Bondholders.

Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

See further in Clause 15 of the Terms and Conditions.

### **No direct action by Bondholders**

Subject to certain exemptions set out in the Terms and Conditions, a Bondholder may not take any steps whatsoever against the Issuer or any other 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 or bankruptcy (in any jurisdiction) of the Issuer or that of any other Group Company in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

### **Prescription**

The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed 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 Bondholders' right to receive payment has been prescribed and has become void.

### **Governing law**

The Terms and Conditions of the Bonds 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. The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (Sw. *Stockholms tingsrätt*).

### **The CSD**

The Bonds will be connected with the account-based system of Euroclear Sweden AB, for the purpose of having the payment of interest and principal managed by Euroclear Sweden AB. The Bonds have been registered for the Bondholders on their respective Securities Accounts and no physical Bonds have or will be issued. The Issuer's central securities depository and registrar in respect of the Bonds, from time to time, is initially, Euroclear P.O. Box 191, SE-101 23 Stockholm, Sweden.

### **The Agent and the Agency Agreement**

Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden, is initially acting as Agent on behalf of the Bondholders in accordance with the Terms and Conditions.

Pursuant to the Agency Agreement that was entered into on or before the First Issue Date between the Issuer and the Agent, the Agent has undertaken to represent the Bondholders in accordance with the Terms and Conditions. The Issuer has undertaken to, among other things, pay certain fees to the Agent. The Agency Agreement is available to the Bondholders at the office of the Agent during normal business hours and also on display at the office of the Issuer, see “*Legal considerations and supplementary information - Documents available for inspection*”.

## **The Issuing Agent**

DNB Bank ASA, Sweden Branch, Reg. No. 516406-0161, SE-105 88 Stockholm, Sweden, is initially acting as Issuing Agent in accordance with the Terms and Conditions of the Bonds.

## **Use of proceeds**

The Issuer shall apply the Net Proceeds from the issue of the Initial Bonds towards:

- (a) refinancing existing Financial Indebtedness;
- (b) financing Transaction Costs; and
- (c) financing general corporate purposes (including financing Projects, investments and acquisitions).



## Information about the Issuer

### Description of the Issuer

Sveafastigheter AB (publ), with registration number 559449-4329, is a public limited liability company (Sw. *publikt aktiebolag*) incorporated in Sweden on 29 August 2023 under the laws of Sweden. The Issuer's business is conducted in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)). The Issuer was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 21 September 2023. The Issuer is situated in Stockholm, Sweden. The Issuer's postal address is Box 4034, SE-203 11 Malmö, Sweden, and the telephone number of its office is +46 (0)200-22 72 00. The Legal Entity Identifier (LEI) Code of the Issuer is 636700W1VM86O2G2AA36.

The Issuer's website is [www.sveafastigheter.se](http://www.sveafastigheter.se). The information on the Issuer's website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus.

Pursuant to the Issuer's articles of association, the purpose of the company is to directly or indirectly, own, manage and develop real property and/or shares, along with activities related to such operations. Further, the Issuer's share capital may not be less than SEK 500,000 and not more than SEK 2,000,000, and the number of shares may not be less than 150,000,000 and not more than 600,000,000.

### Main business

#### Overview

Sveafastigheter operates in the rent-regulated Swedish residential market with a focus on long-term management and development of residential properties in Sweden. The Issuer aims to operate in areas with long-term growth opportunities with a focus on cost-effectiveness, creating the basis for affordability and sustainability with a long-term ownership focus. The Issuer has its properties and property management operations in growth regions across Sweden, with a focus on university cities and the Stockholm-Mälardalen, Malmö-Öresund and Greater Gothenburg regions.

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

As of 31 March 2025, the Issuer had a property value, including standing assets and new constructions (book value), that corresponded to SEK 28.2 billion. As of the same date, the portfolio consisted of standing assets that corresponded to SEK 24.9 billion, properties classified as ongoing construction that corresponded to SEK 1.1 billion, and project development and building rights that corresponded to SEK 2.2 billion.

Sveafastigheter's mission is to manage and develop homes for more people, where current and future generations can thrive and feel safe. The Issuer's business concept is to own, actively manage and build attractive rental housing in growth regions in Sweden with a focus on tenant satisfaction, the Issuer's profitability and local community involvement and strong sustainability work. Sveafastigheter's vision is to be Sweden's best residential real estate company, meaning (i) Sweden's most satisfied tenants, (ii) the industry's best and most satisfied employees, (iii) Sweden's most sustainable properties, (iv) stakeholders' first choice and (v) the industry's most attractive company to invest in.

## History

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

<b>2014</b>	<ul style="list-style-type: none"><li>- Sveafastigheter Bostad is founded.</li><li>- Sveafastigheter receives its first land allocation "Focken" in Västerås.</li></ul>
<b>2016</b>	<ul style="list-style-type: none"><li>- Samhällsbyggnadsbolaget i Norden AB is founded.</li></ul>
<b>2017</b>	<ul style="list-style-type: none"><li>- Sveafastigheter completes the development of "Focken" in Västerås.</li></ul>
<b>2020</b>	<ul style="list-style-type: none"><li>- SBB acquires the housing developer Sveafastigheter.</li></ul>
<b>2021</b>	<ul style="list-style-type: none"><li>- SBB and Kåpan Pensioner form a joint venture and invests in Hemvist.</li><li>- SBB acquired 70 percent of the shares in the residential real estate company Unobo from Riksbyggen.</li></ul>
<b>2023</b>	<ul style="list-style-type: none"><li>- SBB decides after a strategic review to present a decentralised group structure, whereby the business is divided into three business units: <i>Education</i>, <i>Community</i>, and <i>Residential</i>. It is also announced that an initial public offering is planned for the property portfolio relating to the <i>Residential</i> business units.</li></ul>
<b>2024</b>	<ul style="list-style-type: none"><li>- Sveafastigheter was formed by separating residential assets and the related part of the organisation from SBB as well as SBB's joint ventures Unobo and Hemvist.</li><li>- The Issuer's shares are listed on Nasdaq First North Premier Growth Market.</li></ul>

## Business Areas

Sveafastigheter's business can be divided into the following areas.

### Property management

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

Sveafastigheter operates on the principle that a fair rent level should be achieved, where rents are accurate and fair in the property portfolio compared to comparable properties in the market. However, there are apartments that have different rents despite having the same standard and location. In such a scenario, Sveafastigheter can conduct a value-of-use test. The Issuer continuously evaluates potential rent increases through value-of-use tests to align the rent levels of rental properties in its portfolio with the broader market.

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

## New constructions

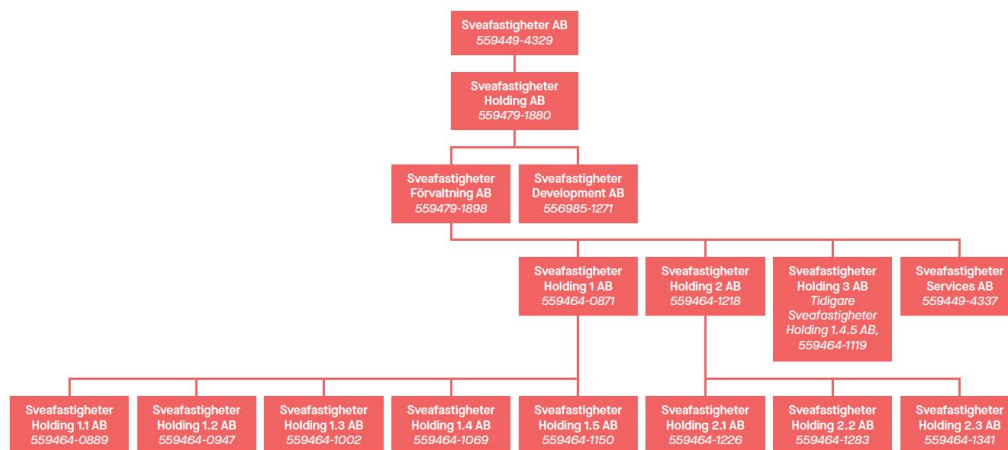
Sveafastigheter's new constructions consist of ongoing construction, project development and the creation of building rights. The portfolio of new construction is located in areas with strong fundamentals and primarily focused on the Stockholm-Mälardalen region as well as selected university cities, and approximately 100 percent of the property value of the portfolio at completion located in these areas. In total, the new construction portfolio is expected to add an additional property value of SEK 18.2 billion and approximately 6,266 new apartments when completed.

Sveafastigheter is committed to developing modern, high-quality housing, with a particular focus on municipalities experiencing population growth, high employment rates, and stable rental markets. The new construction efforts are characterised by a focus on environmental, social, and economic sustainability. The Group uses environmentally friendly materials of high-quality and integrates modern energy solutions such as solar panels and other environmentally friendly solutions for long-term management.

The Issuer uses a structured process and has an established platform for new construction projects. Sveafastigheter works actively to establish efficient processes for handling building permit applications and other permit processes. Efficient administrative processes help to shorten lead times for projects as a whole. While the main focus is on building rental apartments, Sveafastigheter also has the capacity to develop condominiums, which diversifies the portfolio and meets various market needs.

## Organisation and ownership structure

The Issuer is the parent of the Group, which, in addition to the Issuer, comprises of several subsidiaries, all of which are established in Sweden, and wholly owned, directly or indirectly, by Sveafastigheter. As the Issuer's operations are partially conducted through its subsidiaries, the Issuer is dependent on its subsidiaries to generate profit and cashflow as well as to meet its obligations under the Bonds. The following chart illustrates the key companies within the Group as of the date of the Prospectus.



As of 31 March 2025, taking into account changes known to the Issuer thereafter, the Issuer's major shareholders, whose holdings exceed five per cent of the number of shares and votes in the Issuer, are SBB (through SBB i Norden AB), which through a shareholding of 123,405,838 shares controls approximately 61.7 per cent of the votes and number of shares in the Issuer. As far as the Issuer is aware, the Issuer is not directly or indirectly controlled by any individual shareholder or group of shareholders other than SBB.

To ensure that such control is not abused, in its decision making and administration, the Issuer follow the provisions of applicable law and relevant regulations, *inter alia*, the Swedish Companies Act and

Swedish code for corporate governance, see further section “*Corporate Governance*”. As far as the Issuer is aware, there are currently no agreements or equivalent that may later lead to changes in the control of the Issuer.

## Credit Rating

Fitch Ratings Limited has announced an expected first-time long-term issuer default rating of ‘BBB-(EXP)’ with a Positive Outlook for Sveafastigheter. The final rating is contingent upon the receipt of final medium-term note documentation conforming to information already reviewed by Fitch Ratings Limited and a loan being issued under the medium-term note programme. The Bonds have not been assigned any credit rating.

## Corporate Governance

Sveafastigheter is a Swedish public limited liability company which applies the Swedish code for corporate governance (the “**Code**”). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and to Swedish companies whose shares are listed on Nasdaq First North Premier Growth Market. Companies that apply the Code do not have to comply with all rules in the Code as the Code itself allows for deviation from the rules, provided that such potential deviations and the chosen alternative solution are reported and the reasons for this explained in the corporate governance report (according to the so-called “comply or explain principle”).

According to the Swedish Companies Act, the General Meeting is the Issuer’s ultimate decision-making body. At the General Meeting, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, appropriation of the Issuer’s results, discharge from liability of members of the Board of Directors and the CEO, election of members of the Board of Directors and auditors and remuneration to the Board of Directors and the auditors. The Board of Directors is the second-highest decision-making body of the Issuer after the General Meeting. According to the Swedish Companies Act, the Board of Directors is responsible for the organisation of the Issuer and the management of the Issuer’s affairs, which means that the Board of Directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial condition and profits as well as evaluating the operating management.

According to the Issuer’s Articles of Association, the members of the Board of Directors elected by the General Meeting shall be not less than three and not more than ten members with no deputy members. Currently, the Issuer’s Board of Directors consists of seven ordinary members elected by the General Meeting, who are presented in section “*Board of Directors*”.

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the Issuer. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO’s instructions. The CEO and Executive Management are presented in section “*Executive Management*”.

## Audit Committee

Sveafastigheter has an audit committee consisting of two members: Christer Nerlich and Jenny Wärmé. The Audit Committee shall, without it affecting the responsibilities and tasks of the Board of Directors, *inter alia*, monitor the Issuer’s financial reporting, monitor the efficiency of the Issuer’s internal controls, internal auditing and risk management, keep informed of the auditing of the annual report and the combined accounts, review and monitor the impartiality and independence of the auditors and pay close

attention to whether the auditors are providing other services besides audit services for the Issuer, and assist in the preparation of proposals for the General Meeting's resolution on election of auditors.

## Remuneration Committee

The Board of Directors of Sveafastigheter carries out the duties of the Remuneration Committee in their entirety. The Board of Directors' duties in this respect consist of making decisions about remuneration principles, remuneration and other terms of employment for the Executive Management team. In addition, the Board of Directors is to monitor and evaluate the variable remuneration programmes for the Executive Management that are current or have been completed during the year as well as the Issuer's current remuneration structures and levels.

## Board of Directors

Sveafastigheter's Board of Directors consists of 7 ordinary members, including the chairperson of the board, without deputy board members, all of whom are elected for the period up until the end of the Annual General Meeting in 2026. The table below shows the members of the Board of Directors, when they were first elected to the Board of Directors and whether they are considered to be independent of the Issuer and/or major shareholders.

Name	Position	Member since	Independent of	
			The Issuer and Executive Management	Major shareholders
Peter Wågström	Chairman of the Board	2024	Yes	Yes
Christer Nerlich	Board member	2024	Yes	Yes
Jenny Wärmé	Board member	2024	Yes	Yes
Per O Dahlstedt	Board member	2024	Yes	Yes
Sanja Batljan	Board member	2024	Yes	No
Peder Johnson	Board member	2024	Yes	Yes
Leiv Synnes	Board member	May 2025	No	No

## PETER WÅGSTRÖM

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*Born in 1964. Chairman of the Board since 2024*

**Education:** Civil Engineering, Surveying, KTH Royal Institute of Technology. IMD Business School.

**Other current positions:** Partner of Hembygden Bostäder AB.

Chairman of the Board and CEO of the own company Arrecta AB.

Chairman of the Board of Brunkeberg Systems AB, Brunkeberg Systems Inc, Brunkeberg Systems IP AB and Brunkeberg Systems USA Inc.

Board member of MVB Holding AB and Arlandastad Group AB (publ).

Member of the Royal Institutions of Charters Surveyors (RICS) Advisory Board for Sweden.

**Previous positions (last five years):** Chairman of the Board of Assentio AB, Bonava Industry AB, Clear Real Estate Holding 1 AB, Fastighetsaktiebolaget Arrendet 1, Fastighetsaktiebolaget Älvsjö Quarters, Fastighetsbolaget Järnhyttan AB, Jordägaren i Sigtuna Holding AB, Järnhyttan Holding AB, New Real Estate Sweden Holding AB, New Real Estate Sweden Bygg AB, New Real Estate Sweden Utveckling AB, NRES Holding Telefon AB, Penta Construction Group AB, Tallkronans Parkering AB, Volabo Fastigheter AB, Volabo Holding AB and Wirba AB.

Board member of Arlandastad Group AB (publ), Tredje AP-fonden, Eastnine AB (publ), Neobo Fastigheter AB (publ), Niam AB, Niam Holding AB, Enviser Tech AB, Gelba Partner AB, Maria Ludvigsson Invest AB and SSM Holding AB.

CEO of New Real Estate Sweden Utveckling AB.

Member of Novedo AB's Investment Committee.

**Shareholding in the Issuer:** Peter Wågström holds 25,000 shares in the Issuer.

## CHRISTER NERLICH

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*Born in 1961. Board member since 2024*

<b>Education:</b>	Bachelor of Science in Business Administration and Economics, Uppsala University.
<b>Other current assignments:</b>	Board member of Akademiska Hus AB (publ) and Nerlich Consulting AB.
<b>Previous assignments (last five years):</b>	Chairman of the Board and board member of several subsidiaries of Vasakronan group.  CFO of Vasakronan AB (publ).
<b>Shareholding in the Issuer:</b>	Christer Nerlich holds 10,000 shares in the Issuer.

## JENNY WÄRMÉ

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*Born in 1978. Board member since 2024*

<b>Education:</b>	Master of Laws (LLM), Stockholm University.
<b>Other current assignments:</b>	Board member of Jywfym AB and Slättö Strawberry JV AB.  Deputy board member of BB5 SPV C8 AB, Pansjonas AB, Yard Holding AB, Yard Barkaby 1 Fastighets AB, Yard Barkaby 2 Fastighets AB, Yard Barkaby 3 Fastighets AB and several subsidiaries of F. Holmström Fastigheter AB.  Partner, Head of Legal & Compliance of Slättö Förvaltning AB.
<b>Previous assignments (last five years):</b>	Board member of Amasten Fastighets AB (publ), Nyfosa AB, Stendörren Fastigheter AB, Tre Kronor Property Investment AB, LSTH Handelsfastigheter 4 AB, PropCap Advisory Sweden AB, SLÄTTÖ CORE NYAB 18 AB and SLÄTTÖ CORE NYAB 19 AB.  Deputy board member of SLÄTTÖ CORE NYAB 16 AB, SLÄTTÖ CORE NYAB 17 AB, Yard Barkarby Fastighets AB, Yard Eskilstuna Fastighets AB, Yard Eskilstuna Holding AB, Yard Eskilstuna Parkering AB, Yard Holding 2 AB, Yard Holding 3 AB, Yard Järfälla Holding AB, Yard Luleå Fastighets AB, Yard Luleå Holding AB, Yard Luleå Parkering AB, Yard Valfisken Fastighets AB, Yard Valfisken Holding AB, Yard Örebro Fastighets AB, Yard Örebro Holding AB, Yard Örebro Parkering Fastighets AB, Yard Östersund Holding AB and Yard Östersund Söder Fastighets AB.  Partner, Head of Legal & Corporate Affairs of Hembla AB (formerly D. Carnegie & Co AB).
<b>Shareholding in the Issuer:</b>	Jenny Wärmé holds 4,000 shares in the Issuer.

## PER O DAHLSTEDT

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*Born in 1953. Board member since 2024*

**Education:** Master of Science in Business Administration, Stockholm University.

**Other current positions:** Board member of Fondex AB and TEAL Capital AB.

**Previous positions (last five years):** -

**Shareholding in the Issuer:** Per O Dahlstedt holds 7,000 shares in the Issuer.

## SANJA BATLJAN

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*Born in 1967. Board member since 2024*

**Education:** Master of Science in Business and Economics, the University of Mostar, Bosnia and Herzegovina. Executive Master of Finance, Svenska Managementgruppen.

**Other current assignments:** Chairman of the Board of Ilija Batljan Invest AB (publ).

Board member of Kameo Investment Platform AB and OrganoWood AB.

Deputy board member of Missing in action AB and OSI Beauty AB.

Auditor of Föreningen Folkets Hus u.p.a.

**Previous assignments (last five years):** Board member and Chairman of Audit Committee of Logistea AB.

CEO of AB Nynäshamnsbostäder, Knutpunktshuset AB and Tegeltraven Holding AB.

CFO of AB Nynäshamnsbostäder.

**Shareholding in the Issuer:** Sanja Batljan holds 40,000 shares in the Issuer.



## **PEDER JOHNSON**

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*Born in 1957. Board member since 2024*

<b>Education:</b>	Studies in mathematics and law, Uppsala University.
<b>Other current assignments:</b>	<p>Founder of Stendörren Fastigheter AB (publ).</p> <p>Partner, board member and CEO of Rossekraft Aktiebolag.</p> <p>Partner and board member of Fastighets AB Märta, Märta Investment AB, Strandeken Fastigheter AB and Vamlingbo Prästgården AB.</p> <p>Chairman of the Board of Harg-Oppeby Bostäder AB, Harg-Oppeby Bostäder nr 2 AB, Harg-Oppeby Fastigheter Holding AB, Museum Lars Jonsson AB and Storsudrets Fastighetsutveckling AB.</p> <p>Board member of Kulturhantverkarakademin AB, Fastighets AB Märta, Märta Investment AB, Pejogim Holding AB, Pejogim Investment AB, Stiftelsen Södermanlands - Nerikes nation Studentbostäder, Vamlingbo Ladugårdar AB and Vamlingbo Ladugårdar Drift AB.</p> <p>Board advisor to TEAL Capital AB.</p> <p>Deputy board member of Johan Magnusson Fine Wine AB and Wineprofiler JM AB.</p>
<b>Previous assignments (last five years):</b>	<p>Co-founder of D. Carnegie &amp; Co.</p> <p>Board member of Fastighetsaktiebolaget Fattighuset and Johan Magnusson Fine Wine AB.</p>
<b>Shareholding in the Issuer:</b>	Peder Johnson holds 9,998 shares in the Issuer.

## LEIV SYNNES

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*Born in 1970. Board member since 2025.*

**Education:** Master of Economics from Umeå University.

**Other current assignments:** CEO of SBB.

Chairman of the board in several subsidiaries within the SBB-group.

Board member in Studentbostäder i Norden AB.

Board member in Nordiqus AB.

**Previous assignments (last five years):** Chairman of the board and/or board member in several subsidiaries within the Akelius-group.

Board member in Castellum AB.

CFO and vice CEO of Akelius Residential Property AB.

**Shareholding in the Issuer:** Leiv Synnes holds 561,600 shares in the Issuer.

## Executive Management

Information about the members of the Issuer's Executive Management team is listed below.

## ERIK HÄVERMARK

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*Born in 1979. CEO since 2024*

**Education:** Bachelor of Science in Business and Economics, Uppsala University. Bachelor of Science in Construction Engineering, Uppsala University.

**Other current assignments:** Board member in several subsidiaries within the Group.

**Previous assignments (last five years):** Head of Project Development of SBB. Head of Project and Property Development of Rikshem. Business Development Manager at Veidekke. Manager at JM AB. Project Manager at NCC.

Chairman of the Board of Klangsågen Mark AB.

Board member of Bacchus JV 2 AB, Haga Mölnlycke 3 AB, Haga Mölnlycke BR AB, Haga Mölnlycke Holding AB, Haga Mölnlycke ÅBO AB, Hub Park Pottholmen AB, Mölnlyckes Haga Utvecklings AB, Nacka 5 AB, Nacka 6 AB, Nacka 9 AB, Nacka 8 AB, Nacka 11 AB, Nacka dotter 14 AB, Odalen Humana Upphandling 1 AB, SBB Idrott för alla AB, Stockholmsutsikt Holding AB, Stockholmsutsikt utveckling projekt AB, Svenska Stadsbyggen Development AB, ViBoGård AB and several subsidiaries within Unobo group.

Deputy board member of Haga Mölnlycke 3 AB, Haga Mölnlycke BR AB, Haga Mölnlycke Holding AB, Haga Mölnlycke ÅBO AB, Helsingborgshem Fyra AB, Helsingborgshem Förvaltning Fyra AB, Järven 4 Fastigheter AB, Mölnlyckes Haga Utvecklings AB, Orminge Fastighetsutveckling 1 AB, Orminge Fastighetsutveckling AB, ViBoGård projekt Strängnäs AB, ViBoGård projekt Vadstena AB, Väsjön Fastighetsutveckling 1 AB, Väsjön Fastighetsutveckling AB and Väsjön Fastighetsutveckling Parkering AB.

**Shareholding in the Issuer:** Erik Hävermark holds 45,000 shares in the Issuer.

## OLA SVENSSON

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*Born in 1972. Head of Property Management since 2024*

**Education:** Master of Business Administration, Akelius University.

**Other current assignments:** Board member in several subsidiaries within the Group.

**Previous assignments (last five years):** COO of Victoriahem AB (formerly Victoria Park AB).

Regional Manager at SBB South and Country Manager Denmark.

Board member of several subsidiaries within Victoriahem AB (formerly Victoria Park AB).

Member of the Malmö Rental Board.

**Shareholding in the Issuer:** Ola Svensson holds 21,473 shares in the Issuer.

## LOVISA SÖRENSSON

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*Born in 1994. Head of Transactions since 2024*

**Education:** Civil Engineering, Real Estate and Construction Management, KTH Royal Institute of Technology.

**Other current assignments:** Board member in several subsidiaries within the Group.

**Previous assignments (last five years):** Deputy and Acting Head of Transactions at Samhällsbyggnadsbolaget i Norden AB. Analyst at Möller & Partners AB.

**Shareholding in the Issuer:** Lovisa Sörensson holds 11,600 shares in the Issuer.

## **Other information on the Board of Directors and Executive Management**

In accordance with the Company's announcement on 14 April 2025, Sveafastigheter has appointed Stina Carlson as its new CFO. She will assume her new position on 1 September 2025 and will be part of Sveafastigheter's management team.

There are no family ties between any members of the Board of Directors or Executive Management.

There are no conflicts of interest or potential conflicts of interest between the obligations of members of the Board of Directors and Executive Management of the Issuer and their private interests and/or other undertakings.

All members of the Board of Directors and the Executive Management are available at the Issuer's address, Olof Palmes gata 13A, SE-111 37 Stockholm, Sweden.

## **Auditor**

Ernst & Young AB has been the Issuer's auditor since 2023 and was, at the Annual General Meeting 2025, re-elected until the end of the Annual General Meeting 2026. Jonas Svensson (born 1968) is the auditor in charge. Jonas Svensson is an authorised public accountant and a member of FAR (professional institute for authorised public accountants). Ernst & Young AB's office address is Box 7850 SE-103 99 Stockholm. Ernst & Young AB has been auditor throughout the entire period which the historical financial information in this Prospectus covers and has audited Sveafastigheter's audited consolidated annual financial statements for the financial year ended 31 December 2024 and the Issuer's combined financial statements for the financial years ended 31 December 2023, respectively, and reviewed the Issuer's consolidated interim financial statements for the three-month period ended 31 March 2025.

## **Advisors**

Advokatfirman Vinge KB is the Issuer's legal advisor in connection with the establishment of the Prospectus. Danske Bank A/S, Danmark, Sverige Filial, Skandinaviska Enskilda Banken AB (publ) and DNB Bank ASA, Sweden Branch are Joint Bookrunners in conjunction with the issuance of the Bonds. The Joint Bookrunners (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

## **Information on trends and material changes in the Issuer's financial situation**

There have been no recent events specific to the Issuer that could have a material impact on the solvency of the Issuer. Furthermore, there have been no material negative changes in the prospects of the Group since the publication of the Group's audited annual report for 2024, nor have there been any significant changes in the Group's financial performance or financial position since the end of the last financial period and up to the date of this Prospectus.

## **Material agreements**

No material agreements or contracts not entered into in the ordinary course of the Issuer's business and which may entail that a right is conferred, or an obligation is imposed a company within the Group that

may have a material impact on the Issuer's ability to meet its obligations and commitments towards the Bondholders have been concluded.

## **Disputes, arbitration and other legal proceedings**

The Swedish Tax Agency has initiated a written proceeding regarding tax deductions of approximately SEK 89 million made by one of the Issuer's subsidiaries in respect of costs attributable to repair and maintenance in its 2022 income tax return. If the tax deduction is denied by the Swedish Tax Agency, it may result in additional corporate income tax payable of approximately SEK 18 million in respect of the financial year 2022. As a result, the costs are likely to be deductible going forward, but rather than being deductible in full during one financial year, the costs will be added to the taxable base value of the building and deducted during the economic lifespan of the building. In addition to the tax cost added back, if the subsidiary's disclosure of the aforementioned tax deduction is not considered sufficient by the Swedish Tax Agency, tax surcharges of approximately SEK 1.8 million<sup>11</sup> may be levied.

Furthermore, the Issuer has applied to register (i) the figurative trademark comprising the Issuer's logo and the word "SVEAFASTIGHETER" and (ii) the wordmark "SVEAFASTIGHETER" with the EUIPO, however, an external party has formally opposed to this application. Although the Issuer assesses that it has sufficient existing protection for the Issuer's business due to, *inter alia*, the registration of its company name, Sveafastigheter AB (publ), such objection proceedings with the EUIPO could result in, Sveafastigheter being unable to register the aforementioned trademark and wordmark, either by way of entire or partial refusal, which may entail that the Issuer has no, or a more limited, registered protection in the EU (including Sweden) for the aforementioned trademark and wordmark (even though its existing protection would not be lost), and that the Issuer may have less favourable chances to defend its existing intellectual property rights for that reason going forward. The Issuer believes that the practical impact of a denial of its registration application would be that Sveafastigheter would not have exclusivity to the rights for which it has applied going forward. The Issuer assesses that such negative outcomes are unlikely, and any such decision by the EUIPO to refuse or partially refuse the registration(s) would be appealable. This assessment is based on the fact that, as a result of the objections, the Issuer has limited its application to certain property-related services only, which the Issuer believes excludes the risk of confusion and may result in the external party withdrawing the objections. The Issuer has previously been successful with such restrictions in similar trade mark applications in Norway, which could strengthen the Issuer's arguments both in a formal opposition procedure at the EUIPO and in the continued settlement negotiations between the Issuer and the external party. The Issuer does not consider that the restriction of the service listings will have negative consequences for the Issuer's business.

Furthermore, the Issuer's registered EU trademark consisting of a water lily and the word 'SVEAFASTIGHETER' is the subject of a formal application for cancellation based on alleged non-use over the past five years. However, the Issuer has filed proof of use of the EU trade mark with the EUIPO. However, the Issuer is not currently using the EU trademark in its business, which makes it to some extent difficult to prove. At the same time, the absence of use of the EU trade mark in the Issuer's business limits the risks associated with the cancellation application and the Issuer has indicated that there would be limited consequences for the Issuer's business if the EU trademark were ultimately cancelled.

The Group has a number of ongoing legal proceedings with a contractor regarding, among other things, cancellation of construction contracts relating to certain projects in Eskilstuna and better rights to shares in some of the Company's underlying subsidiaries and related issues. The Issuer's view is that the contractor unlawfully, by producing incorrect company documents, replaced the Group's representatives in six subsidiaries and instead registered itself as a representative in order to unlawfully attempt to gain

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<sup>11</sup> The Issuer assesses that the tax surcharges will likely be capped to ten percent as a consequence of the potential error being an accrual error.

control over the subsidiaries in question and the properties owned by the companies. The Issuer is also of the opinion that the Group was entitled to cancel construction contracts entered into with the contractor relating to certain projects in Eskilstuna. Although the Issuer believes that a negative outcome in any of the current proceedings is unlikely, there could be negative effects on the Issuer's financial position and/or profitability if the counterparty is wholly or partially successful in one or more of its claims.

Other than what is set out above, the Group has not been part to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) that recently had or could have material effects on the Issuer's financial position or profitability during the last twelve months.

### **Documents available for inspection**

Copies of the Issuer's articles of association and certificate of registration are available in paper form under office hours throughout the period of validity of the Prospectus at the Issuer's head office located at Olof Palmes gata 13A, SE-111 37 Stockholm, Sweden. Furthermore, this Prospectus, the Terms and Conditions entered into between the Issuer and the Agent and that stipulates the provisions for the Agent's representation of the Bondholders and copies of all documents incorporated into this Prospectus by reference are available in paper form under office hours throughout the period of validity of this Prospectus at the Issuer's head office located at Olof Palmes gata 13A, SE-111 37 Stockholm, Sweden as well as electronically at [www.sveafastigheter.se](http://www.sveafastigheter.se).

### **Documents incorporated by reference**

The following documents are incorporated in the Prospectus by reference. The documents have previously been published.

Information	Source
Combined income statement (p. F-9), combined statement of comprehensive income (p. F-9), combined balance sheet (p. F-10), combined statement of changes in equity (p. F-11), combined cash flow statement (p. F-12), notes (p. F-13-F-34) and auditor's report (p. F-35).	The audited combined financial statements for the financial year ended 31 December 2023  <a href="https://corporate.sveafastigheter.se/sv/wp-content/uploads/sites/4/2024/10/Sveafastigheter-AB-publ-Prospekt-7-oktober-2024.pdf">https://corporate.sveafastigheter.se/sv/wp-content/uploads/sites/4/2024/10/Sveafastigheter-AB-publ-Prospekt-7-oktober-2024.pdf</a>
Consolidated income statement (p. 71), consolidated statement of comprehensive income (p. 72), consolidated balance sheet (p. 73-74), consolidated statement of changes in equity (p. 75), consolidated cash flow statement (p. 76), notes (p. 79-106) and auditor's report (p. 124-126).	The annual report and consolidated financial statements for the financial year ended 31 December 2024  <a href="https://corporate.sveafastigheter.se/sv/wp-content/uploads/sites/4/2021/10/sveafastigheter-ar-2024.pdf">https://corporate.sveafastigheter.se/sv/wp-content/uploads/sites/4/2021/10/sveafastigheter-ar-2024.pdf</a>
Consolidated income statement (p. 15), consolidated statement of comprehensive income (p. 15), consolidated balance sheet (p. 17), consolidated statement of changes in equity (p. 19), consolidated cash flow statement (p. 20) and other information (p. 22).	The unaudited interim consolidated financial statements for the three-month period ended 31 March 2025  <a href="https://storage.mfn.se/a/sveafastigheter/e3cdbfa1-1412-460f-9aa1-2d33b16d2395/sveafastigheter-2025-q1-svensk-b.pdf">https://storage.mfn.se/a/sveafastigheter/e3cdbfa1-1412-460f-9aa1-2d33b16d2395/sveafastigheter-2025-q1-svensk-b.pdf</a>

The parts of the documents listed above that have not been incorporated by reference are not deemed relevant for investors in the Bonds. In addition to the information incorporated in the Prospectus by reference, information on the Issuer's website or any other specified website is not part of the Prospectus and has not been examined or approved by the competent authority.

## Audit of the annual historical information

The consolidated financial statements of the Issuer for the financial years 2023 and 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Swedish Annual Reports Act (Sw. *Årsredovisningslag (1995:1554)*). IFRS also includes International Accounting Standards (IAS) and interpretations to the standards named IFRIC and SIC. In addition to the Annual Reports Act and IFRS, the Issuer applies the Supplementary Accounting Rules for Groups (Sw. *Rådet för finansiell rapporterings rekommendation RFR 1, Kompletterande redovisningsregler för koncerner*).

The financial information set out in the combined financial statements for 2023 and consolidated financial statements for 2024 has been reviewed by Jonas Svensson as auditor in charge.

The audit of the financial statements has been conducted in accordance with generally accepted auditing standards in Sweden and the audit reports have been issued without qualification. Except for what is stated in the auditor's report, which has been incorporated in this Prospectus by reference, or what is otherwise expressly stated, no information in this Prospectus has been reviewed by the Issuer's auditor. Financial data in this Prospectus that have not been audited by the Issuer's auditor stem from internal accounting and reporting systems.





# 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 Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means the 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 less the aggregate Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

“**Affiliate**” means:

- (a) an entity controlling or under common control with the Issuer, other than a Group Company; and
- (b) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in paragraph (a) above to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in paragraph (a) above.

“**Agency Agreement**” means the agency agreement entered into before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Bond**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

“**Bondholder**” 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 Bond.

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clauses 15.1 (*Request for a decision*), 15.2 (*Convening of Bondholders’ Meeting*) and 15.4 (*Majority, quorum and other provisions*).

“**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.

**“Call Option Amount”** means the relevant amount set out in 9.3.1 9.3.1 to (e).

**“Capital Securities”** means any capital securities or other subordinated debt instruments issued by the Issuer and which are, entirely or partly, (i) treated, or intended to be treated, as equity by a Rating Agency or (ii) permitted to be accounted for as equity (in whole or in part) in accordance with the Accounting Principles at the date of issuance of the relevant subordinated debt instrument(s).

**“Cash and Cash Equivalents”** means cash and cash equivalents of the Group in accordance with the Accounting Principles including operating cash readily available within 30 days of request.

**“Change of Control Event”** means the occurrence of an event or series of events whereby one or more Persons (other than any Eligible Buyer, the Main Shareholder or any Main Shareholder Company) acting in concert, acquire control over the Issuer and where **“control”** means:

- (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer,

save that the occurrence of such an event or series of events as set out above shall not be deemed to constitute a Change of Control Event if occurring as a result of a successful IPO.

**“Compliance Certificate”** has the meaning set forth in Clause 10.1.4.

**“CSD”** means the Issuer's central securities depository and registrar in respect of the Bonds, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

**“CSD Regulations”** means the CSD's rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

**“Debt Register”** means the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds in which a Bondholder is registered.

**“De-Listing Event”** means, following the completion of an IPO, the occurrence of an event or series of events whereby:

- (a) the shares of the Issuer cease to be listed on the relevant MTF or Regulated Market on which the shares have been listed (unless such shares are simultaneously listed on another Regulated Market or MTF); or
- (b) trading of the Issuer's shares on the relevant MTF or Regulated Market on which the shares have been listed is suspended for a period of fifteen (15) consecutive Business Days (save that any such suspension in trading directly caused for the purpose of effectuating a listing change from an MTF to a Regulated Market (or vice versa) shall not constitute a prohibited suspension in trading under this item (b)).

“**EBITDA**” means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s) (without double counting):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items and any non-recurring items which are not in line with the ordinary course of business (“**Exceptional Items**”), in an aggregate amount not exceeding (i) in respect of the full financial year of 2024, twenty-five (25.00) per cent. of EBITDA for the relevant Reference Period and (ii) for any subsequent financial years, fifteen (15.00) per cent. of EBITDA for the relevant Reference Period (in each case prior to any adjustments for Exceptional Items);
- (d) before taking into account any Transaction Costs;
- (e) not deducting any accrued interest on Subordinated Debt or the Parent Company Loan;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading, provided that a disposal of a Property shall not be considered to be in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group’s share of the profits or losses of entities which are not part of the Group;
- (j) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group; and
- (k) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group (including any amortisation or impairment of any goodwill arising on any acquisition).

“**Eligible Buyer**” means any reputable, regulated or non-regulated, financial institution (including, without limitation, pension and/or investment funds) domiciled or incorporated in Sweden, Denmark, Finland or Norway which (i) is not a Restricted Party, and (ii) has an ultimate beneficial owner that is domiciled or incorporated under the laws of an OECD member state.

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified in Clause 13.1.

“**Final Maturity Date**” means 29 January 2027.

**“Finance Charges”** means, for any Reference Period, the aggregate amount of interest costs (for the avoidance of doubt, taking into account any derivative instruments), upfront fees and prepayment fees (being deemed as interest costs pursuant to the applicable Accounting Principles) whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) according to the latest Financial Report(s) (calculated on a consolidated basis and excluding any interest on (i) Capital Securities, (ii) Subordinated Debt, (iii) the Parent Company Loan, (iv) any one-off financing charges not being deemed as interest costs pursuant to the Accounting Principles, and (v) any financing charges relating to on-going Projects which are capitalised and added to the acquisition value (Sw. *anskaffningsvärde*) of any Property in accordance with the Accounting Principles.

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

**“Finance Lease”** means a lease or hire purchase contract which in accordance with the Accounting Principles is treated as an asset and a corresponding liability.

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (a) monies borrowed (including under any bank financing or Market Loan);
- (b) the amount of any liability under any Finance Leases;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised under any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against, or benefit from, fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligations in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or other instruments issued by a bank or financial institution; and
- (g) without double-counting, any guarantee or other assurance against financial loss in respect of a type for any of the obligations referred to in paragraphs (a) to (f) above.

No Capital Securities shall, for the avoidance of doubt, be deemed to constitute Financial Indebtedness or a Market Loan.

**“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*).

**“Financial Report”** means the:

- (a) annual audited consolidated financial statements of the Group; or
- (b) quarterly interim audited or unaudited consolidated financial statements of the Group or the year-end report of the Group,

which shall, in each case, be prepared in accordance with the Accounting Principles and made available according to Clause 10.1.1(a) and 10.1.1(b).

**“First Issue Date”** means 5 July 2024.

**“Force Majeure Event”** has the meaning set forth in Clause 23.1.

**“Group”** means the Issuer and its Subsidiaries from time to time (each a **“Group Company”**).

**“Incurrence Test”** means the incurrence test set forth in Clause 11.2.1.

**“Incurrence Test Date”** has the meaning set forth in Clause 11.2.2.

**“Initial Bonds”** means the Bonds issued on the First Issue Date, being EUR 110,900,000.

**“Insolvent”** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7–9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction).

**“Interest”** means the interest on the Bonds calculated in accordance with Clauses 8.1 to 0.

**“Interest Coverage Ratio”** means the ratio of EBITDA to the Net Finance Charges.

**“Interest Payment Date”** means 5 January (save in respect of the first Interest Payment Date) and 5 July of 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. The first Interest Payment Date for the Bonds shall be 29 January 2025 and the last Interest Payment Date shall be the relevant Redemption Date.

**“Interest Period”** means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant). An Interest Period shall not be adjusted due to an application of the Business Day Convention.

**“Interest Rate”** means four point seventy-five (4.75) per cent. *per annum*.

**“IPO”** means the admission to trading of the Issuer’s shares on any MTF or Regulated Market (including, but not limited to, any MTF or Regulated Market maintained by Nasdaq Stockholm).

**“Issue Date”** means the First Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

**“Issuer”** means Sveafastigheter AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559449-4329.

**“Issuing Agent”** means, initially, DNB Bank ASA, Sweden Branch and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

**“Listing Failure Event”** means:

- (a) that the Initial Bonds are not admitted to trading on Nasdaq Transfer Market of Nasdaq Stockholm or another MTF within sixty (60) calendar days following the First Issue Date (although the Issuer has the intention to complete such listing within thirty (30) calendar days);
- (b) prior to any admission to trading on the corporate bond list of Nasdaq Stockholm or another Regulated Market, that any Subsequent Bonds are not admitted to trading on Nasdaq Transfer Market of Nasdaq Stockholm or another MTF within sixty (60) calendar days following their Issue Date (although the Issuer has the intention to complete such listing within thirty (30) calendar days from their respective Issue Date), unless the Subsequent Bonds are issued before the date falling sixty (60) days after the First Issue Date in which case such Subsequent Bonds shall be admitted to listing within sixty (60) days after the First Issue Date;
- (c) following any admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm or another Regulated Market, that any Subsequent Bonds are not admitted to trading on the corporate bond list of Nasdaq Stockholm or another Regulated Market within sixty (60) calendar days following their Issue Date (although the Issuer has the intention to complete such listing within thirty (30) calendar days from their respective Issue Date); and
- (d) in the case of a successful admission, that a period of sixty (60) days has elapsed since the end of the financial quarter during which the Bonds ceased to be admitted to trading on:
  - (i) prior to any admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm or another Regulated Market, Nasdaq Transfer Market of Nasdaq Stockholm or another MTF; or
  - (ii) following any admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm or another Regulated Market, the corporate bond list of Nasdaq Stockholm or another Regulated Market.

**“Main Shareholder”** means Samhällsbyggnadsbolaget i Norden AB (publ), Reg. No. 556981-7660.

**“Main Shareholder Company”** means any person, directly or indirectly, controlled by the Main Shareholder (including, but not limited to, SBB i Norden AB, Reg. No. 559053-5174). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

**“Maintenance Test”** means the maintenance test set forth in Clause 11.1.1.

**“Market Loans”** means (in each case excluding Capital Securities) bonds, notes or other debt securities (however defined), which are or can be quoted, listed, traded or otherwise admitted to trading on a Regulated Market, a multilateral trading facility or an organised trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

**“Material Adverse Effect”** means a material adverse effect on:

- (a) the ability of the Issuer to comply with its payment obligations under the Finance Documents;
- (b) the business, operations, assets, condition or prospects (financial or otherwise) of the Issuer or the Group taken as a whole; or
- (c) the legality, validity or enforceability of the Finance Documents.

“**MTF**” means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Nasdaq Stockholm**” means Nasdaq Stockholm AB (Swedish Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).

“**Net Finance Charges**” means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to Cash and Cash Equivalents.

“**Net Interest Bearing Debt**” means the Group’s (A) consolidated interest bearing Financial Indebtedness (provided that, for the avoidance of doubt, any Financial Indebtedness referred to in paragraph (e) of that definition shall not be deemed to be interest bearing), excluding (i) any Capital Securities, Subordinated Debt or Parent Company Loan, (ii) guarantees and counter indemnities in respect of bank guarantees, and (iii) interest bearing Financial Indebtedness borrowed from any Group Company, less (B) Cash and Cash Equivalents.

“**Net Loan to Value**” means the ratio of Net Interest Bearing Debt to Total Assets (less Cash and Cash Equivalents).

“**Net Proceeds**” means the proceeds from the issuance of Initial Bonds or any Subsequent Bonds after deduction has been made for any Transaction Costs.

“**Nominal Amount**” has the meaning set forth in Clause 2.3

“**Parent Company Loan**” means the shareholder loan provided to the Issuer by the Main Shareholder in an amount of SEK 1,786,000,000 on or before the First Issue Date and which is fully subordinated to all claims of the Issuer’s unsubordinated creditors (subject to that payments are permitted under this loan in accordance with Clause 12.6.2).

“**Preference Shares**” means any preference shares (Sw. *preferensaktier*) issued by the Issuer from time to time.

“**Projects**” means any and all construction, development, renovation, refurbishment, or expansion activities undertaken by the Issuer or any of its Subsidiaries in connection with the Properties, including but not limited to residential, commercial, industrial, and mixed-use developments, encompassing preliminary and ancillary activities such as land acquisition, site preparation, feasibility studies, planning, design, engineering, procurement, and any other activities necessary or incidental to the completion of such real estate projects.

“**Property**” or “**Properties**” means all real properties (Sw. *fastigheter*) and site leasehold rights (Sw. *tomträtter*) owned by a Group Company from time to time.

“**Rating Agency**” means Moody’s Investors Services Ltd, Standard and Poor’s Credit Market Services Europe Limited or Fitch Ratings Ltd (or any of their respective successors) and any other rating agency of equivalent international standing.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 14 (*Distribution of Proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) 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 Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

**“Reference Date”** means 31 March, 30 June, 30 September and 31 December each year for as long as any Bonds are outstanding.

**“Reference Period”** means each period of twelve (12) consecutive calendar months ending on a Reference Date.

**“Regulated Market”** means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

**“Restricted Party”** means a person:

- (a) that is listed on any Sanctions List (whether designated by name or by reason of being included in a class of person);
- (b) that is domiciled, registered as located or having its main place of business in, or is incorporated under the laws of, a Sanctioned Country which is subject to Sanctions Laws; or
- (c) that is directly or indirectly owned or controlled by a person referred to in paragraph (a) and/or (b) above.

**“Restricted Payment”** has the meaning set forth in Clause 12.6.1.

**“Sanctioned Country”** means, at any time, a country or territory which is itself the subject to comprehensive country wide or territory wide Sanctions Laws and, for the avoidance of doubt, excluding a country or territory where Sanctions Laws only target specific activities that are unrelated to the business of the Issuer and its subsidiaries.

**“Sanctions Authority”** means the United Nations, the European Union, each member states of the European Economic Area, the United Kingdom, the United States of America and any authority acting on behalf of any of them in connection with Sanctions Laws.

**“Sanctions Laws”** means the economic or financial sanctions laws and/or regulations, executive orders, trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

**“Sanctions List”** means any list of persons or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority.

**“Securities Account”** means the account for dematerialised securities (Sw. *avstämningsregister*) maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

**“Security”** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

**“Structure Chart”** means the group structure chart set out in Appendix 3 (*The Group*).

“**Subordinated Debt**” means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the Issuer as debtor from a creditor, if such debt:

- (a) is fully subordinated to all claims of the Issuer's unsubordinated creditors;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) according to its terms yield only payment in kind interest and/or cash interest that is payable after the Final Maturity Date, save for payment of interest which is permitted under Clause 12.6.2.

“**Subsequent Bonds**” means any Bonds issued after the First Issue Date on one or more occasions.

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

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

“**Total Assets**” means the consolidated book value of the Group’s total assets according to the latest Financial Report.

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other Group Company in connection with (i) the issuance of any Bonds, (ii) the listing of the Bonds and/or any equity instruments of the Group, (iii) any acquisition and/or disposal related costs, (iv) the refinancing of any Financial Indebtedness.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 15.1 (*Request for a decision*), 15.3 (*Instigation of Written Procedure*) and 15.4 (*Majority, quorum and other provisions*).

## 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 “**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;

- (e) a provision of regulation is a reference to that provision as amended or re-enacted; and
  - (f) a time of day is a reference to Stockholm time.
- 1.2.2 An Event of Default is continuing if it has not been remedied or waived.
- 1.2.3 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](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 When ascertaining whether a limit or threshold specified in Euro 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 Euro for the previous Business Day, as published by the European Central Bank on its website ([www.ecb.europa.eu](http://www.ecb.europa.eu)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.5 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.
- 1.2.6 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.7 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## 2 Status of the Bonds

- 2.1 The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The nominal amount of each Initial Bond is EUR 100,000 (the “**Nominal Amount**”), and the minimum permissible investment in respect of the issuance of Initial Bonds and any Subsequent Bonds is EUR 100,000.
- 2.4 All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.5 The ISIN of the Bonds is SE0022244018.
- 2.6 Provided that the relevant conditions precedents have been duly received (or waived) by the Agent in accordance with Clause 4.2 (*Conditions Precedent for Subsequent Bonds*) the Issuer may, on one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the currency, the nominal amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent

Bonds may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.

- 2.7 The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 183,500,000 unless a consent from the Bondholders is obtained in accordance with Clause 15.4.2.
- 2.8 The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.
- 2.9 The Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

### **3 Use of Proceeds**

- 3.1 The Issuer shall apply the Net Proceeds from the issue of the Initial Bonds towards:
- (a) refinancing existing Financial Indebtedness;
  - (b) financing Transaction Costs; and
  - (c) financing general corporate purposes (including financing Projects, investments and acquisitions).
- 3.2 The Issuer shall apply the Net Proceeds from the issue of any Subsequent Bonds towards:
- (a) financing general corporate purposes (including financing Projects, investments and acquisitions); and
  - (b) financing Transaction Costs.

## **4 Conditions Precedent**

### **4.1 Conditions Precedent for the Initial Bonds**

- 4.1.1 The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), each document and other evidence listed in Part I (*Conditions Precedent to the First Issue Date*) of Appendix 1 (*Conditions Precedent*).
- 4.1.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.1.1 have been received (or amended or waived in accordance with Clause 16 (*Amendments and Waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. two (2) Business Days prior to the First Issue Date (or later, if the Issuing Agent so agrees).

## **4.2 Conditions Precedent for Subsequent Bonds**

- 4.2.1 The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Bonds, each document and other evidence listed in Part II (*Conditions Precedent to the issue of Subsequent Bonds*) of Appendix 1 (*Conditions Precedent*).
- 4.2.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.2.1 have been fulfilled (or amended or waived in accordance with Clause 16 (*Amendments and Waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. two (2) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).

## **5 Bonds in Book-Entry Form**

- 5.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds.
- 5.2 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 Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer and the Agent shall at all times 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. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 5.4 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 Bondholders.
- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

## **6 Right to act on behalf of a Bondholder**

- 6.1 If any person other than a Bondholder (including the owner of a Bond, if such person is not the Bondholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such person.
- 6.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such

representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.

- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.2 and may assume that such document 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.
- 6.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **7 Payments in Respect of the Bonds**

- 7.1 Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 Provided that a Bondholder has registered an income account (Sw. *avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Bonds are deposited to such income account 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 effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 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. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer 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 has actual knowledge of the fact that the payment was made to the wrong person).

## **8 Interest**

- 8.1 Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount 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.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

- 8.3 Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per centage points higher than the Interest Rate. The 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.

## **9 Redemption and Repurchase of the Bonds**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

### **9.2 Purchase of Bonds by Group Companies**

- 9.2.1 Any Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way.
- 9.2.2 Bonds held by a Group Company (including Bonds repurchased by the Issuer pursuant to Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)*)) may at such Group Company's discretion be retained or sold.
- 9.2.3 Bonds held by the Issuer may not be cancelled by the Issuer (except for any Bonds repurchased pursuant to Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)*)) or in connection with a redemption or repurchase of the Bonds in full).

### **9.3 Voluntary total redemption (call option)**

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full any time from (and including) the First Issue Date to (but excluding) the Final Maturity Date, at an amount per Bond equal to one hundred (100) per cent. of the Nominal Amount together with accrued but unpaid Interest.
- 9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

## **9.4 Early redemption due to illegality (call option)**

- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.4.2 The applicability of Clause 0 shall be supported by a legal opinion issued by a reputable law firm.
- 9.4.3 The Issuer may give notice of redemption pursuant to Clause 0 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

## **9.5 Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)**

- 9.5.1 Upon the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event, each Bondholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, the Listing Failure Event or the De-Listing Event, as the case may be, pursuant to Clause 10.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event, the Listing Failure Event or the De-Listing Event, as the case may be.
- 9.5.2 The notice from the Issuer pursuant to Clause 10.1.3 shall specify the period during which the right pursuant to Clause 9.5.1 may be exercised, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1.
- 9.5.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- 9.5.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased



within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

- 9.5.5 No repurchase of Bonds pursuant to this Clause 9.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 9.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

## **10 Information to Bondholders**

### **10.1 Information from the Issuer**

- 10.1.1 The Issuer shall make the following information available to the Bondholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the audited consolidated financial statements of the Group for that financial year prepared in accordance with the Accounting Principles;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group for such period prepared in accordance with the Accounting Principles; and
- (c) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.

- 10.1.2 The Issuer shall procure that the aggregate Nominal Amount held by Group Companies, including any amount of Bonds cancelled by the Issuer, is clearly stated in each interim report published by the Issuer pursuant to Clause 10.1.1(b).

- 10.1.3 The Issuer shall promptly notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.

- 10.1.4 The Issuer shall:

- (a) on the earlier of when the financial statements pursuant to Clause 10.1.1 (i) are made available or (ii) should have been made available;
- (b) on the Incurrence Test Date (but prior to the event relevant for the application of the Incurrence Test); and
- (c) within ten (10) Business Days from a request by the Agent,

submit to the Agent a compliance certificate, in substantially the form set forth in Appendix 2 (Form of Compliance Certificate), (“**Compliance Certificate**”) containing (i) if delivered pursuant to paragraph (a) above, (A) a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it, attaching copies of any notices sent to the Regulated Market on which the Bonds are admitted to trading) and (B) a confirmation that the Maintenance Test is met for the relevant Reference Period, attaching any figures in respect of the basis on which it has been calculated; (ii) if delivered pursuant to paragraph (b) above, a confirmation that the Incurrence Test is met as per the relevant Incurrence Test Date, including calculations and figures in respect of the

Incurrence Test, calculated *pro forma* including the relevant transaction (as applicable); and (iii) if delivered pursuant to paragraph (c) above, a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it, attaching copies of any notices sent to the Regulated Market on which the Bonds are admitted to trading).

## **10.2 Information from the Agent**

Subject to the restrictions of any non-disclosure agreement entered into by the Agent, the Agent is entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 13.4 and 13.5).

## **10.3 Information among the Bondholders**

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds (unless, in the opinion of the Agent, such request is vexatious or frivolous). The Agent may require that the requesting Bondholder or the Issuer reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

## **10.4 Availability of Terms and Conditions**

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

# **11 Financial Covenants**

## **11.1 Maintenance Test**

11.1.1 The Maintenance Test is met if the Net Loan to Value does not exceed fifty-five (55) per cent.

11.1.2 Notwithstanding Clause 11.1.1 above, the Maintenance Test shall only be deemed as being failed if the Net Loan to Value has exceeded fifty-five (55) per cent. on two (2) consecutive Reference Dates. The Agent shall promptly inform the Bondholders if the Issuer does not meet the Maintenance Test, regardless if it has yet to be deemed as being failed pursuant to this Clause 11.1.2.

11.1.3 The Maintenance Test shall be tested on the relevant Reference Date, with the first test date being 30 September 2024, on the basis of the Issuer's most recent Financial Report for the Reference Period ending on the relevant Reference Date, and shall be reported in the Compliance Certificate delivered in connection therewith.

## **11.2 Incurrence Test**

11.2.1 The Incurrence Test is met if:

- (a) the Interest Coverage Ratio is equal to or higher than 1.50:1; and
- (b) no event which upon the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) would constitute an Event of Default is continuing or would occur as a result of the relevant incurrence event (it being expressly acknowledged and agreed that a failure to meet the Maintenance Test for just one quarter shall not preclude the Issuer from being able to meet the Incurrence Test),

in each case calculated in accordance with Clause 11.2.4 and 11.2.5.

- 11.2.2 The Incurrence Test shall be applied in connection with (i) the issuance of Subsequent Bonds and the issuance of any other Market Loans and (ii) a Restricted Payment which requires that the Incurrence Test is met.
- 11.2.3 The calculation shall be made on the date falling five (5) Business Days prior to the date on which the relevant issuance of Subsequent Bonds, Market Loan(s) or Restricted Payment is being made (the “**Incurrence Test Date**”).
- 11.2.4 The calculation of the Interest Coverage Ratio shall, for the purpose of the Incurrence Test, be calculated based on the most recent Financial Report (and on the figures as of the last day of the period covered by such Financial Report) prior to the date of the issuance of the Subsequent Bonds, new Market Loan(s) or the making of the Restricted Payment (as applicable), calculated *pro forma* including the contemplated Restricted Payment and/or Subsequent Bonds and new Market Loan(s) and adjusted for any events affecting such ratio after the last day of the period covered by the most recent Financial Report up until and including the Incurrence Test Date (as applicable).
- 11.2.5 For the purpose of the Incurrence Test (without double counting), the figures for EBITDA and Net Finance Charges for the Reference Period ending on the last day of the period covered by the most recent Financial Statements shall be used, but adjusted so that (as applicable):
  - (a) entities or businesses acquired or disposed during the Reference Period, or after the end of the Reference Period but before the relevant testing date (as applicable), shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period;
  - (b) any entity, asset or operation to be acquired with the proceeds from the relevant incurrence or issuance which requires that the Incurrence Test is met shall be included, *pro forma*, for the entire Reference Period; and
  - (c) any Net Finance Charges directly attributable to (i) Financial Indebtedness owed by an acquired entity and (ii) any new Financial Indebtedness incurred for the purpose of acquiring an entity acquired during the Reference Period shall be included, *pro forma* for the entire Reference Period (provided that any Net Finance Charges directly attributable to Financial Indebtedness refinanced with such new Financial Indebtedness shall be deducted, as if such debt had been repaid at the beginning of the relevant Reference Period).
- 11.2.6 For the purposes of calculating the Interest Coverage Ratio on any Incurrence Test Date occurring during the financial year 2024, the Reference Period shall be deemed to commence on 30 June 2024 and the relevant figures and metrics shall be adjusted *pro forma*, i.e. annualized, on the basis of quarterly and semi-annual Financial Report(s) published during 2024.
- 11.2.7 In the event that no Financial Report(s) have yet been published prior to the occurrence of any Incurrence Test Date during 2024, the Issuer may, for the purposes of calculating the

Interest Coverage Ratio, base such calculations on the figures and metrics on a pro-forma quarterly interim unaudited consolidated financial statement of the Group (prepared in accordance with the Accounting Principles and reviewed (Sw. *översiktligt granskad*) by the Issuer's auditor) (the "**Pro Forma Report**"), and the Reference Period shall be deemed to commence on 30 June 2024 and the relevant figures and metrics shall be adjusted *pro forma*, i.e. annualized, on the basis of the Pro Forma Report.

## **12 General Undertakings**

### **12.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 12 for as long as any Bonds remain outstanding.

### **12.2 Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date.

### **12.3 Dealings with related parties**

The Issuer shall (and shall procure that each other Group Company will) conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is another Group Company) at arm's length terms.

### **12.4 Disposals**

12.4.1 Except as explicitly permitted pursuant to Clause 12.4.2, the Issuer shall not (and shall procure that no other Group Company will) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any of its assets.

12.4.2 Clause 12.4.1 shall not apply to:

- (a) any disposal which is carried out at fair market value and on terms and conditions customary for such transaction, provided that it does not have a Material Adverse Effect; and
- (b) any disposal to the Issuer or any of its wholly-owned Subsidiaries.

### **12.5 Mergers and demergers**

The Issuer shall procure that no other Group Company is subject to any merger or demerger (unless such merger or demerger would constitute a permitted disposal under Clause 12.4 (*Disposals*)) with any other person, if such merger or demerger has or is reasonably likely to have a Material Adverse Effect.

## 12.6 Distributions

12.6.1 Except as explicitly permitted pursuant to Clause 12.6.2, the Issuer shall not (and shall procure that no other Group Company will):

- (a) pay any dividends in respect of its shares;
- (b) repurchase or redeem any of its own shares;
- (c) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders;
- (d) repay any loans granted by its direct or indirect shareholders or pay interest thereon;
- (e) make any payments or repayments under any Capital Securities; or
- (f) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, or its Subsidiaries', direct or indirect shareholders or any legal or natural person affiliated with such direct and indirect shareholders,

(paragraphs (a) to (f) above are together and individually referred to as a “**Restricted Payment**”).

12.6.2 Notwithstanding Clause 12.6.1, a Restricted Payment may be made:

- (a) if made by a Group Company to another Group Company, provided that, if such payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, it is made on a *pro rata* basis;
- (b) if made by the Issuer:
  - (i) if such Restricted Payment is made in respect of any Preference Shares or any Capital Securities (whether it be in respect of interest (in which ever form) or principal);
  - (ii) if such Restricted Payment is made by reason of a claim pursuant to 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;
  - (iii) if such Restricted Payment is made in respect of all or part of the principal amount or accrued interest of the Parent Company Loan with proceeds from the Initial Bonds (including by way of set-off in connection with the issuance of the Initial Bonds) or any net proceeds received by the Issuer in connection with an IPO; or
  - (iv) if the Incurrence Test is met , calculated on a *pro forma* basis including the relevant Restricted Payment; or
- (c) by way of group contributions (Sw. *koncernbidrag*), provided that no cash or other funds are transferred from the Group Company as a result thereof (i.e. the group contributions are merely accounting measures) and provided that such distribution is subsequently converted into a shareholder's contribution (Sw. *aktieägartillskott*) as soon as possible,

in each case provided that such Restricted Payment is permitted by law and that no Event of Default is continuing or would occur as a result of such Restricted Payment.

## **12.7 Market Loans**

The Issuer shall procure that:

- (a) no Group Company other than the Issuer issues or permits to remain outstanding any Market Loan; and
- (b) any Market Loan (other than the Bonds) issued by the Issuer;
  - (i) is only issued if the Incurrence Test is met;
  - (ii) is unsecured;
  - (iii) is subordinated to or rank *pari passu* with the Bonds and the Issuer's payment obligations under the Finance Documents; and
  - (iv) has a final maturity date or, if applicable, voluntary redemption dates or instalment dates falling after the Final Maturity Date.

## **12.8 Negative pledge in respect of Market Loans**

The Issuer shall not, and shall procure that no Group Company will, maintain, provide, prolong or renew any Security over any of its assets (present or future) in respect of any Market Loan.

## **12.9 Compliance with laws**

The Issuer shall (and shall procure that each other Group Company will) comply with all laws and regulations to which it may be subject from time to time (including, but not limited to, the rules and regulations of any Regulated Market on which the Issuer's securities from time to time are listed), if failure to do so has or is reasonably likely to have a Material Adverse Effect.

## **12.10 Insurance**

The Issuer shall procure that the Properties are insured to an extent which is customary for similar properties on the Swedish market with one or more reputable insurers.

## **12.11 Maintenance of Properties**

The Issuer shall, and shall procure that each other Group Company owning a Property, keep the Properties in a good state of repair and maintenance, subject to normal wear and tear and in accordance with normal market practice.

## **12.12 Valuation**

The Issuer shall procure that valuation reports regarding the fair value of Properties is prepared by a reputable external property appraiser (including, but not limited to, CBRE, JLL Sweden, Newsec AB and Savills Sweden AB) at such times and to such extent as is required under the Accounting Principles and that such valuation report(s) are reflected in good faith in the following Financial Report(s).

## **12.13 Admission to trading**

- 12.13.1 The Issuer shall ensure that the Initial Bonds are admitted to trading on the corporate 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 twelve (12) months after the First Issue Date.
- 12.13.2 The Issuer shall ensure that any Subsequent Bonds are admitted to trading on the same Regulated Market as the Initial Bonds within twelve (12) months after the relevant Issue Date, unless the relevant Subsequent Bonds are issued before the expiry of the twelve (12) month period referred to in Clause 12.13.1 above, in which case such Subsequent Bonds shall be admitted to trading within twelve (12) months after the First Issue Date together with the Initial Bonds.

## **12.14 Undertakings relating to the Agency Agreement**

- 12.14.1 The Issuer shall, in accordance with the Agency Agreement:
- (a) pay fees to the Agent;
  - (b) indemnify the Agent for costs, losses and liabilities;
  - (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
  - (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- 12.14.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders (taken as a whole).

## **12.15 CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

## **13 Acceleration of the Bonds**

- 13.1 The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 13.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:
- (a) **Non-payment**

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

    - (i) is caused by technical or administrative error; and

(ii) is remedied within five (5) Business Days from the due date.

**(b) Other obligations**

The Issuer does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:

- (i) is capable of remedy; and
- (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

**(c) Maintenance test**

The Issuer fails the Maintenance Test (for the avoidance of doubt, after having taken into account the provisions of Clause 11.1.2).

**(d) Invalidity**

Any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders (taken as a whole).

**(e) Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step (other than vexatious or frivolous and as disputed in good faith and discharged within sixty (60) calendar days of commencement) is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) of the Issuer, other than a solvent liquidation or reorganisation of any Group Company other than the Issuer;
- (ii) a composition, compromise, assignment or arrangement with creditors of the Issuer generally, other than the Bondholders;
- (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a Group Company other than the Issuer), administrator or other similar officer in respect of the Issuer or any of its assets; or
- (iv) any step analogous to items (i) to (iii) above is taken in any jurisdiction in relation to any Group Company,

provided however, in any case, that the assets of the Group Company referred to under paragraphs (i) to (iii) above, individually or in the aggregate, have a value equal to or exceeding SEK 50,000,000 (or its equivalent in any other currency) calculated in accordance with the latest Financial Report.

**(f) Insolvency**

The Issuer or any other Group Company is, or is deemed for the purposes of any applicable regulation to be, Insolvent, provided however that the assets of such Group Company (other than the Issuer), individually or in the aggregate, have a value equal to or exceeding SEK 50,000,000 (or its equivalent in any other currency) calculated in accordance with the latest Financial Report.

**(g) Creditors' process**

Any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of the Issuer or any other Group Company having an



aggregate value of SEK 50,000,000 (or its equivalent in any other currency) calculated in accordance with the latest Financial Report and is not discharged within sixty (60) calendar days of commencement.

(h) **Mergers and demergers**

The Issuer is subject to (i) a merger with any other person, with the effect that the Issuer is not the surviving entity, or (ii) a demerger.

(i) **Cross-payment default and acceleration**

Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (i) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 100,000,000 and further provided that it does not apply to any Financial Indebtedness owed between Group Companies.

(j) **Cessation of business**

The Issuer suspends or ceases to carry on all or substantially all of its business, except if due to a permitted merger or disposal under these Terms and Conditions.

- 13.2 The Agent may not accelerate the Bonds in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 13.3 The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 13.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 13.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 13.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- 13.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.7 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become

enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

- 13.8 In the event of an acceleration of the Bonds in accordance with this Clause 13, the Issuer shall redeem all Bonds at an amount per Bond equal to the relevant Call Option Amount.

## **14 Distribution of Proceeds**

- 14.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) first, in or towards payment *pro rata* of:
  - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Bondholders);
  - (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent;
  - (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 17.2.5; and
  - (iv) any costs and expenses incurred by the Agent that have not been reimbursed by the Issuer in accordance with Clause 15.4.12,together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 14.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).

- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.

- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 7.1 shall apply.

## **15 Decisions by Bondholders**

### **15.1 Request for a decision**

- 15.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 15.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' 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 Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 15.1.3 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 15.1.4 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15.1.7 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 15.1.5 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 15.2 (*Convening of Bondholders' Meeting*) or instigate a Written Procedure by sending communication in accordance with Clause 15.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 17.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 15.2. The Issuer shall inform the Agent before a notice for a Bondholders' 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.
- 15.1.6 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 15.1.4 or 15.1.5, 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 Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

15.1.7 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if:

- (a) the suggested decision must be approved by any person in addition to the Bondholders 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.

## **15.2 Convening of Bondholders' Meeting**

15.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

15.2.2 The notice pursuant to Clause 15.2.1 shall include:

- (a) time for the meeting;
- (b) place for the meeting;
- (c) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- (d) a form of power of attorney;
- (e) the agenda for the meeting;
- (f) any applicable conditions precedent and conditions subsequent;
- (g) the reasons for, and contents of, each proposal;
- (h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (i) if a notification by the Bondholders is required in order to attend the Bondholders' Meeting, information regarding such requirement; and
- (j) information on where additional information (if any) will be published.

15.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

15.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **15.3 Instigation of Written Procedure**

15.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days

after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

15.3.2 A communication pursuant to Clause 15.3.1 shall include:

- (a) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- (b) 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;
- (c) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 15.3.1);
- (d) any applicable conditions precedent and conditions subsequent;
- (e) the reasons for, and contents of, each proposal;
- (f) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (g) if the voting is to be made electronically, the instructions for such voting; and
- (h) information on where additional information (if any) will be published.

15.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 15.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.4.2 and 15.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.4.2 or 15.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

15.3.4 The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent, including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

## **15.4 Majority, quorum and other provisions**

15.4.1 Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 15.2.2, in respect of a Bondholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 15.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

- 15.4.2 The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3.2:
- (a) a change to the terms of any of Clauses 2.1 and 2.8;
  - (b) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (c) a change to the Interest Rate or the Nominal Amount;
  - (d) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 15.4 (*Majority, quorum and other provisions*);
  - (e) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (f) a mandatory exchange of the Bonds for other securities; and
  - (g) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- 15.4.3 Any matter not covered by Clause 15.4.2 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 16.1(a) or (c)) or an acceleration of the Bonds.
- 15.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 15.2.4 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 15.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 15.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 15.2.1) or initiate a second Written Procedure (in accordance with Clause 15.3.1), as the case may be, provided that the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 15.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 15.2.1 or second Written Procedure pursuant to Clause 15.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure.

- 15.4.7 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 the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.4.8 A Bondholder holding more than one Bond need not 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.
- 15.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that vote in respect of the proposal at the relevant Bondholders' 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.
- 15.4.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder), nor make an offer to repurchase any Bonds, if receipt of such consideration or participation in such tender offer (as applicable) is conditional upon the Bondholder's consent to a proposal at a Bondholders' Meeting or in a Written Procedure.
- 15.4.11 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders 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 Bondholders.
- 15.4.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.4.13 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.
- 15.4.14 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **16 Amendments and Waivers**

- 16.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders as a group;
  - (b) is made solely for the purpose of rectifying obvious errors and mistakes;

- (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
  - (d) has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.
- 16.2 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 10.4 (*Availability of Terms and Conditions*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 16.1(a) or (c), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.
- 16.3 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **17 The Agent**

### **17.1 Appointment of the Agent**

- 17.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds 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 Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and in relation to any mandatory exchange of the Bonds for other securities (including, for the avoidance of doubt, a right for the Agent to subscribe for any such new securities on behalf of the relevant Bondholder). By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 17.1.2 Each Bondholder 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 Bondholder which does not comply with such request.
- 17.1.3 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.
- 17.1.4 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.
- 17.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.



## **17.2 Duties of the Agent**

- 17.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents.
- 17.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.
- 17.2.3 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.
- 17.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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.
- 17.2.5 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 Bondholders 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.
- 17.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it:
- (a) after the occurrence of an Event of Default;
  - (b) for the purpose of investigating or considering:
    - (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default; 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 Bondholders under the Finance Documents;
  - (c) in connection with any Bondholders' 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 (including for the purpose of deciding whether the conditions set out in Clause 16.1 are fulfilled).
- 17.2.7 Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of Proceeds*).
- 17.2.8 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.
- 17.2.9 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the financial condition of the Issuer and the Group, (iii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iv) whether any other event specified in any Finance Document has occurred or is expected to occur, and 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.

- 17.2.10 The Agent shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 10.1.4 and Appendix 2 (*Form of Compliance Certificate*) and as otherwise agreed between the Issuer and the Agent, and (ii) verify that the Issuer according to its reporting in the Compliance Certificate meets the Incurrence Test and/or the Maintenance Test, as applicable, and the Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 17.2.10.
- 17.2.11 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent 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 17.2.11. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders 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.
- 17.2.12 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.
- 17.2.13 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 Bondholders, 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.
- 17.2.14 The Agent shall give a notice to the Bondholders:
- (a) 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
  - (b) if it refrains from acting for any reason described in Clause 17.2.13.

### **17.3 Liability for the Agent**

- 17.3.1 The Agent will not be liable to the Bondholders 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.
- 17.3.2 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 Bondholders to delay the action in order to first obtain instructions from the Bondholders.

- 17.3.3 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 Bondholders, 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.
- 17.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 17.3.5 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 Bondholders under the Finance Documents.

## **17.4 Replacement of the Agent**

- 17.4.1 Subject to Clause 17.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 17.4.2 Subject to Clause 17.4.6, if the Agent is Insolvent, 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.
- 17.4.3 A Bondholder (or Bondholders) 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 Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 17.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after:
- (a) the earlier of the notice of resignation was given or the resignation otherwise took place; or
  - (b) the Agent was dismissed through a decision by the Bondholders,
- 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.
- 17.4.5 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.
- 17.4.6 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 17.4.4 having lapsed.

- 17.4.7 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 Bondholders 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.
- 17.4.8 In the event that there is a change of the Agent in accordance with this Clause 17.4, 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.

## **18 The Issuing Agent**

- 18.1 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 Bonds. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 18.2 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 Bonds.
- 18.3 The Issuing Agent will not be liable to the Bondholders 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.

## **19 The CSD**

- 19.1 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 Bonds.
- 19.2 The CSD may 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 is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the admission to trading of the Bonds on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Central Securities Depository Regulation (Regulation (EU) No 909/2014) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **20 No Direct Actions by Bondholders**

- 20.1 A Bondholder may not take any steps whatsoever against the Issuer or other 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 or bankruptcy in any jurisdiction of the Issuer or that of any other Group

Company in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

- 20.2 Clause 20.1 shall not apply if the Agent has been instructed by the Bondholders 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 Bondholder to provide documents in accordance with Clause 17.1.2), 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 17.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 17.2.14 before a Bondholder may take any action referred to in Clause 19.1.
- 20.3 The provisions of Clause 20.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **21 Time-Bar**

- 21.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the 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 Bondholders' right to receive payment has been time-barred and has become void.
- 21.2 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 Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **22 Communications and Press Releases**

### **22.1 Communications**

- 22.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (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, if sent by email by the Issuer, to the email 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, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Bondholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier

delivery (if practically possible) or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

- 22.1.2 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 Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 22.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22.1.1, or, in case of email, when received in readable form by the email recipient.
- 22.1.3 Any notice which shall be provided to the Bondholders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:
- (a) a cover letter, which shall include:
    - (i) all information needed in order for Bondholders to exercise their rights under the Finance Documents;
    - (ii) details of where Bondholders can retrieve additional information;
    - (iii) contact details to the Agent; and
    - (iv) an instruction to contact the Agent should any Bondholder wish to receive the additional information by regular mail; and
  - (b) copies of any document needed in order for Bondholder to exercise their rights under the Finance Documents.
- 22.1.4 Any notice or other communication pursuant to the Finance Documents shall be in English. However, financial reports published pursuant to Clause 10.1.1(a) and (b) may be in Swedish.
- 22.1.5 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## **22.2 Press releases**

- 22.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Early redemption due to illegality (call option)*), 10.1.3, 13.3, 15.2.1, 15.3.1, 15.4.14, and 16.2 and shall also be published by way of press release by the Issuer.
- 22.2.2 In addition to Clause 22.2.1, if any information relating to the Bonds or the Issuer contained in a notice the Agent may send to the Bondholders 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 Bondholders 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 Bondholders, the Agent shall be entitled to issue such press release.

## **23 Force Majeure**

- 23.1 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.
- 23.2 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.
- 23.3 The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **24 Governing Law and Jurisdiction**

- 24.1 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 substantive law of Sweden.
- 24.2 The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (Sw. Stockholms tingsrätt).
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