

Prospectus for Sehlhall Fastigheter AB (publ)



SEK 200,000,000

Senior Secured Floating Rate Sustainability Bonds

ISIN: SE0021627361

Issuing agent:

Swedbank AB (publ)

This Prospectus has been approved by the Swedish Financial Supervisory Authority on 3 May 2024 and is valid for twelve (12) months from this date, 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the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Joint Bookrunners



IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Sehlhall Fastigheter AB (publ), corporate identity no. 559114-3481 (the “**Company**” or the “**Issuer**”), and together with each of its direct and indirect subsidiaries from time to time (the subsidiaries, jointly the “**Subsidiaries**” unless otherwise indicated by the context, the “**Group**” or “**Sehlhall**”), in relation to the application for listing of senior secured floating rate sustainability bonds in an amount of SEK 200,000,000 with ISIN: SE0021627361 (the “**Bonds**”) on the sustainable bond list of Nasdaq Stockholm Aktiebolag, corporate identity no. 556420-8394 (“**Nasdaq Stockholm**”) pursuant to the Terms and Conditions, as defined below. Swedbank AB (publ) has acted as issuing agent in connection with the issue of the Bonds (the “**Issuing Agent**”) and Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) has acted as arrangers and bookrunners (the “**Joint Bookrunners**”).

This Prospectus has been prepared in accordance with the standards and requirements under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and the rules and regulations connected thereto, as applicable. This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. 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 “*Documents incorporated by reference*”) and any supplements to this Prospectus. This Prospectus will be available at the Swedish Financial Supervisory Authority’s website www.fi.se and the Company’s website www.sehllhall.se. Paper copies may be obtained from the Company. Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds in this Prospectus (the “**Terms and Conditions**”) shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company’s auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, any references made to “**EUR**” and “**Euro**” refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended and references to “**SEK**” refer to Swedish krona.

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should: (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements; (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor’s overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor’s own currency; (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor’s ability to bear the risks.

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

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

As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB (“**SFBF**”), which provides STIBOR, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

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RISK FACTORS

In this section, the risk factors which the Issuer considers to be material risks relating to the Issuer and its subsidiaries and the Issuer's contemplated issue of the Bonds are illustrated. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The assessment of the materiality of each risk factor is illustrated with a rating of low, medium or high. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.

*The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. Terms not defined herein shall have the same meaning as ascribed to them in the terms and conditions for the Bonds (the "**Terms and Conditions**").*

Risk factors specific and material to the Issuer

Risks relating to the Issuer and the Group

The Group's business, results of operations and profitability are subject to risks related to developments in the global financial markets

The Nordic markets are affected by developments in the global financial markets, which continue to experience disruptions, including increased volatility and diminished liquidity and credit availability. Concerns about credit risk (including that of sovereigns) have increased globally, especially with the presence of significant sovereign debts and/or fiscal deficits in a number of European countries and the United States. This has raised concerns regarding the financial condition of financial institutions and other corporates located in these countries, having direct or indirect exposure to these countries, and/or whose banks, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions globally, 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. Any such developments could limit the Group's access to the capital it requires to finance its operations.

The global Covid-19 pandemic has had adverse effects on the world economy, financial markets and consequently on the Group's activities. The most relevant risks as a result of the pandemic are the risk for higher costs for raw materials, delays in projects due to shortage of raw materials and delays in projects in general. As the future developments of the pandemic is difficult to determine, it cannot be ruled out that it will continue to pose a risk for the Group and its operations. The ongoing wars in Ukraine and Gaza have led to significant volatility in the global credit markets and on the global economy. The main risk for the Group, due to the future development in Ukraine and Gaza, and the

consequences it may have on the global economy, relates to increased and/or fluctuating raw material prices and supply chain disruptions.

For the reasons described above, adverse developments in the global financial markets could have a material adverse impact on the Group's financial position and results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

The Group's business, results of operations and profitability are subject to risks related to general economic conditions and demographic trends in its geographical markets

The Group is affected by macroeconomic factors such as general economic trends, regional economic development, employment rates, production rates of new premises, changes of infrastructure, inflation and interest rates in Sweden. These factors significantly impact supply and demand in the real estate market and accordingly affect occupancy rates, rent levels and gross asset values of the Group's properties. If the general economic situation weakens, the value and rental income of the Group's property portfolio may decline. The Group's property portfolio is located in Sweden and the Group operates in different geographical markets throughout Sweden.

Inflation expectations drive interest rates and thus affect the net financial result of the Group. As the Group mainly relies on short-term interest rates, it is particularly sensitive to changes in the general interest rate levels. The interest cost of debt with credit institutions, among others, is a major cost for the Group, and the Group plans to continue to partially finance its operations through debt in the future. During the financial year 2023, the Group's interest expense amounted to SEK 53 million. The Group's average interest rate as of 31 December 2023 was 7.7 per cent. Based on the conditions on 31 December 2023, a change in the Group's average interest rate of +/- one percentage point would theoretically affect the Group's profit before tax by approximately +/- SEK 8 million. A drastic rise in interest levels as was seen during 2022-2023 may have a material negative impact on the Group's profitability.

While Sweden maintains a strong labour market and elevated employment and activity rates, there can be no assurances that these positive trends will continue. Sweden's economy may also be impacted by its neighbouring countries, which could result in deterioration of the economic conditions in Sweden. Additionally, the Group's community service portfolio is affected by demographic trends such as the growing prevalence of aging populations and increasing rural-to-urban migration in the Nordic region. The demographic trends impact the level of supply and demand for the Group's properties and fluctuations in demography could have a material adverse effect on the Group's business, financial position, results of operations and prospects.

A decrease in demand for rental of the Group's properties in any or all of the geographical markets in which the Group's properties are located could have a material adverse effect on the Group's results of operations and profit.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

The Group operates in a competitive market and the Group may fail to compete successfully

The Group is active in the property industry, which is subject to substantial competition, including from community service property providers such as Samhällsbyggnadsbolaget i Norden AB, Vacse AB, Hemsö Fastighets AB, Magnolia Bostad AB, Hoivatilat AB and Stenvalvet AB. The Group's competitiveness is dependent on its ability to acquire desirable properties in attractive locations, attract and retain tenants, to anticipate future changes and trends in the industry, and to adapt swiftly to, for example, current and future market needs. Furthermore, the Group competes for tenants based on, for example, the location of the property, rents, size, accessibility, quality, tenant satisfaction, convenience and the Group's reputation.

The Group's competitors may have greater financial resources than the Group, a better capacity to withstand downturns in the market, greater access to potential acquisition targets, compete more effectively, retain skilled personnel and respond faster to changes in local markets. In addition, competitors may have a higher tolerance for lower yield requirements and more efficient technology platforms. Furthermore, the Group may need to incur additional investment costs to keep its properties competitive in relation to competitors' properties. If the Group cannot compete successfully, this can significantly impact rent levels and vacancy rates and the Group's income could be reduced.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

The Group may not be able to successfully execute some, or all, of the strategic initiatives and/or the benefits of these initiatives may not be achieved at the time or to the extent expected, or at all

Successful execution of the Group's strategic initiatives is not assured, and the Group may fail to achieve management's guidance, targets or expectations in respect to its financial and operational targets or may not realise all or part of the benefits that it expects 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 targets or investment objectives will be successful under current or future market conditions. The Group's approach may be modified and altered from time to time. It is therefore possible that the approach adopted to implement its strategy and achieve its financial targets and investment objectives in the future may be different from that presently expected to be used and disclosed in this Prospectus. In addition, the Group's ability to carry out acquisitions pursuant to its growth strategy, will depend on a number of factors, including its relationships with municipalities and its ability to identify acceptable targets for acquisition and obtain necessary financing. If the Group's relationships with municipalities change such that it is no longer able to take advantage of off-market transactions, it may be unable to successfully execute its strategic objectives relating to real estate development and transactions. Shifts of power and/or the local opinion may also affect the Group's ability to successfully execute its strategic objectives relating to real estate development and transactions. If changes in the political environment would occur, it could have a negative impact on the Group's business, financial position, results of operations and prospects.

If the Group is unable to achieve its targets, this could have a material adverse impact on the Group's business and results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Certain risks relating to the Group's business model and projects

The Group's business consists to a large extent of real estate development projects, primarily new production, but also conversion of properties (originally intended for other purposes) to community service properties (such as elderly care, nursing homes, residential care and preschools). The types of projects carried out by the Group are generally associated with a large number of risks, such as the risk of faulty construction, risk for delays or completion, operating risks, risks relating to permissions, environmental risks, political risks, site risks etc.

In the current market situation, with high interest rates and high inflation, the Group is focusing primarily on the completion of existing projects and has reduced the amount of real estate development projects. In the event the Group's projects are delayed, this may also lead to partners and others with whom the Group has entered into agreements, regarding, among other things, real estate development or land designation, claiming damages or contractual penalty from the Group. Moreover, in these types of projects the construction costs may escalate during the time of the project, e.g. due to miscalculations with regard to the budget, unexpected delays in delivery of material, construction challenges or other factors outside the Group's control.

Furthermore, some of the properties developed by the Group are sold at an early stage to major Swedish institutions. Prior to commencing production on a project, a final property owner shall have signed a binding purchase agreement with the Group, and this buyer thus finances the project on a continual basis during the production through "forward funding". This normally entails that the Group regains the capital it invested already at the point when the buyer enters into the project, while the Group's profit is received upon completion of the project. The forward funding structure also entails that the Group's profit will decrease if the costs in the project are higher than calculated, and a greater counterparty risk (as described in section "*Credit and counterparty risk*" below), e.g. in the event the buyers ends in financial difficulties and is unable to complete the project.

Misjudging with respect to investment decisions, mismanagement of projects and failure to comply with relevant laws and regulations are additional risks (although not a comprehensive list of such) associated with the Group's business model and the projects. The Group has only a small core organization and therefore outsources many external services. The operational risk in managing the projects may, for instance, involve the choice of consultants, architects, real estate agents etc. Deficient project management and bad sourcing documentation can lead to increased costs for alterations and additional work. Rising materials prices may also render projects more expensive to a varying degree depending on construction contract form.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be low.

The gross asset value of the Group's properties shown in the valuation reports may prove to be inaccurate and the gross asset value may decrease in the future

The Group's properties are reported at market value in the Group's consolidated balance.

As at 31 December 2023, the gross asset value of the Group's properties was SEK 1,452 million. Property valuations represent the opinion of the independent appraiser who prepares the valuation report and the assumptions underlying the appraisals are tested, as is customary, through random sampling. Additionally, property valuations by their nature are based on a number of assumptions that may not prove to be accurate. Such assumptions include property specific assumptions regarding rent levels, occupancy rates and operating expenses and market specific assumptions regarding macroeconomic developments, general economic trends, regional economic development, employment rates, production rates of new premises, changes of infrastructure and inflation and interest rates in Sweden. It is possible that the valuations received by the Group do not accurately represent the current value of the Group's properties or reflect the amounts for which the properties could be sold. Moreover, appraisal 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. It cannot be ruled out that the assumptions underlying the appraisals of the properties in the past or in the future may later be determined to have been erroneous. Accordingly, investors should not assume that the gross asset value of the Group's property as shown on the balance sheet is accurate or will not change in the future.

The real estate market and property prices are subject to fluctuations. If the gross asset value of the properties decreases, the decrease in value will adversely impact the Group's results of operations. In addition, a reduction in gross asset value could result in a breach of certain covenants in the Group's financing agreements, which in turn could result in such financings being accelerated prior to maturity and consequently affect the liquidity of the Group.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risks relating to the Issuer's and the Group's operations

The Group's business may be adversely affected if the acquisition and integration of properties and property companies is not successful

The Group's strategy includes organic growth through direct property acquisitions as well as growth through acquisitions of companies that own properties. Acquisitions expose the Group to a number of risks. For example, when deciding to make an acquisition, the Group makes certain assumptions and determinations based on its due diligence of the properties to be acquired, as well as other information then available, including assumptions regarding future rental income and operating costs. However, these assumptions and determinations involve risks and uncertainties that may cause them to be incorrect, and therefore the Group may not realise the full benefits it expects from an acquisition. Other risks involved in the acquisition of property include risks linked to future losses of tenants, environmental conditions and technical shortcomings. The acquisition of property companies is also associated with the risk of, for example, higher taxes and the risk of legal disputes

as well has higher leverage and higher interest costs. Anticipated economies of scale and cost savings may not be realised in whole or in part or may occur later than anticipated. This may result in higher administrative costs than planned. There can also be no assurance that the systems, operations or controls required to support the expansion of the Group's business are sufficient and they may require continued development. However, in the current market situation, with high interest rates and high inflation, the Group has reduced the number of acquisitions made.

Furthermore, acquisitions of property companies can expose the Group to additional risks. These risks are mainly related to the integration of the acquisitions, such as the inability to retain key individuals, merging costs, organisation costs, unexpected costs and difficulties in achieving the anticipated synergies from the acquisition. As the Group is engaged in acquisitions on an ongoing basis, these risks may be recurrent and accordingly, acquisitions can entail significantly higher costs than originally estimated. The Group is continually exploring opportunities to acquire properties and property companies, and therefore the Group is exposed to the risk of unexpectedly increased transaction costs or cancelled acquisitions. In addition to the risks associated with the acquired properties themselves, certain acquisitions may be overly complex or difficult to integrate, thus diverting attention and resources being deployed elsewhere. Additionally, if any of the foregoing risks relating to future acquisitions materialize, it could have a material adverse impact on the Group's results of operation.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

The Group is exposed to the risk that it may be unable to sell any portion of its total portfolio on favourable terms or at all

The Group is exposed to risks arising from the illiquidity of parts of its property portfolio. Community service properties constitute a unique asset class as they have been adapted to fit specific purposes. While a very strong interest is experienced from potential investors, there is a relatively limited buyer universe and a relatively limited number of investors in this sector. As a result, although municipalities and county councils have access to financing even when financial markets are distressed through entities such as Kommuninvest in Sweden, the market for the types of properties the Group owns or may acquire in the future is characterized by relatively limited liquidity. If the Group is required to liquidate parts of its portfolio on short notice for any reason, including raising funds to support its operations or to repay outstanding indebtedness, the Group may not be able to sell any portion of its portfolio on favourable terms or at all. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property or property portfolio being sold and the price at which the Group could otherwise sell such property or property portfolio. Any such shortfall could have a material adverse effect on the Group's business, financial position, results of operations and prospects. In addition, the Group may face further difficulty in disposing of its properties due to covenants and pledges limiting asset disposals in the Group's financing agreements. These restrictions could complicate or delay any proposed property development.

The Group's business includes the ongoing disposal of properties for recycling of capital and there are risks associated with this owing to the nature of the Group's portfolio and potential difficulties finding prospective buyers.

Any of the foregoing factors could lead to properties being sold at a price considerably lower than anticipated, which could have a material adverse impact on the Group's financial position and results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

The Group may be exposed to risks associated with its property development activities such as the timely receipt of necessary zoning changes and construction permits

The Group's property development activities involve the identification of opportunities to develop community service properties in Sweden and the development of such projects up to the commencement of construction. The Group assesses the current status of the chosen site, its long-term prospects and conducts its due diligence. The main critical factors investigated are the property's technical condition, its net operating income and any potential legal risks. In general, the Group seeks to sell its development projects at the pre-construction phase upon zoning being granted or to enter into a joint venture with the developer to eliminate (or reduce in the case of joint ventures) the Group's exposure to construction risks.

Two of the principal risks associated with the Group's property development activities relate to its ability to obtain necessary changes to zoning and all necessary construction permits to develop the relevant site in a timely manner. Although the Group is always involved in the zoning plan process, the municipalities involved have the final say on the implementation of these plans. Additionally, there may be some relatively minor but unforeseen financial costs associated with completing the necessary zoning plans and obtaining the required planning permits. The Group acquires properties for its property development business based on its expectations regarding the possibility of rezoning. The Group's development activities also entail identifying suitable geographical areas for development projects and information from third parties may be disclosed to the Group concerning zoning plan processes and future land utilisation, which the Group then uses as the basis for its investment and project decisions. Such information may turn out to be incorrect and municipalities or decision-makers may deviate from such information, which can ultimately result in the Group carrying out projects at less than favourable geographical sites.

The Group may be required to apply to municipalities or other government agencies for various permits and registrations in order to be able to carry on its property development business and the Group acquires properties for its property development business based on its expectations of obtaining all necessary permits. Good relations with municipalities are therefore important and may change over time, potentially affecting the Group's ability to obtain changes in zoning in accordance with its development plans.

There is a risk that the Group will not be granted a vital permit, permits may not be issued promptly or are issued subject to unforeseen conditions. As a result, the Group's property development

activities may experience substantial delays, and this could negatively impact the Group's business, financial position, results of operations and prospects.

If the Group is unable to have the relevant property rezoned or if necessary permits cannot be obtained in a timely manner and without complications, there is a risk that the value of the relevant projects may be less than the Group expected which could adversely affect the Group's financial position.

The Issuer considers that the probability that the abovementioned risks materialise to be high. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Decreases in the Group's rental income and by extension the market value of the property portfolio

The market value of the Group's property portfolio depends on the Group's ability to maintain and increase its rental income. Thus, the Group's operations face a notable risk related to rental rates and, by extension, the amount of rental income the Group is able to generate. These rates depend on, among other things, macroeconomic conditions, demographic trends and the level of new community service properties, which could increase the supply of community service properties relative to demand. Furthermore, if the condition, location or other characteristics of the properties in the Group's property portfolio are not responsive to the demand, this may negatively affect the Group's ability to maintain and increase rent levels and total rental income.

The occupancy rate for the Group's property portfolio has a significant impact on the Group's rental income and consequently also on the Group's profitability. The Group's five largest tenants accounted for approximately 55 per cent of the total contracted rental income as of 31 December 2023 and have an average term of 7 years. There is a risk that the Group's major tenants will not renew or extend their leases when they expire, which could lead to a reduction in rental income and a lower occupancy rate in the long term. If the major tenants encounter financial difficulties or otherwise become unable to meet their obligations under any lease, this could have a significant impact on the Group as its rental income could be materially lower than estimated. For example, if the tenant in one of the Group's largest leases, which is next to expire, does not renew its lease and a vacancy in such premises arises as a result, the Group's rental income would decrease by approximately SEK 1.3 million per annum. This lease expires in 2027.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

The Group's success, future operations and business plan depend upon its ability to attract, motivate and retain key personnel

Being able to attract, motivate and retain qualified personnel in general and qualified officers of the Group in particular is important for the Group's success, future operations and business plan. The Group is particularly dependent on the knowledge, experience and commitment of the officers of the Group, including Dan Sehlberg, the Group's Chief Executive Officer and Petter Hallenberg, the Group's Deputy Chief Executive Officer. In order to attract, motivate and retain certain key

personnel, the Group may be required to increase compensation to such individuals, resulting in additional expenses. If the Group is not able to attract and retain qualified personnel in the future, this could have a material adverse impact on the Group's prospects.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Insurance

If the Group is unable to maintain its insurance cover on terms acceptable to it or if future business requirements exceed or fall outside the Group's insurance cover or if the Group's provisions for uninsured costs are insufficient to cover the final costs it could have a material negative impact on the Group's business, financial position and results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risk related to the Group's and the Group's financing arrangement

The Group finances itself by incurring debt which exposes it to certain risks. There is a risk that the Group will be unable to secure financing at favourable rates, or at all, when debt falls due and needs to be refinanced. As in the future loans may need to be obtained at significantly higher costs than at present, 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. Further, certain loan agreements contain provisions which may limit the Issuer's and the Group's ability to incur new debt. Additionally, the Group intends to raise debt by accessing the capital markets. Capital markets are affected by general market conditions and therefore the Group is 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.

The Group's ability to obtain financing in the future will depend upon its business, prospects and market conditions. In the event of adverse market conditions, the Group's financial performance may suffer which may reduce the availability of financing to the Group.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Fluctuation in interest rates may decrease the value of the Group's properties and increase the cost financing and thereby adversely affect the Group's business

Interest expense on the Group's indebtedness is one of the Group's main cost items. In the long-term, adverse changes in interest rates could have a significant effect on the Group's results and cash flows. Interest rates have risen significantly in Sweden during the past 24 months, which has had a negative effect on the Group's operations and profitability. It is possible that interest rates will remain at high levels or increase in the future. Any increase in interest rates may have a negative effect on the Group's portfolio and may require the Group to record fair value adjustment losses. Such losses

would result in a corresponding decrease in the value of the Group's properties as reported on its balance sheet and in the Group's fair values and increases in the Group's loan to value. Any changes in interest rates may also affect the gross asset value of the Group's properties. Materialisation of any of the above risks could have a material adverse impact on the Group's business, financial position, results of operations and prospects.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Credit and counterparty risk

Where there is a risk for the Group's counterparties being unable to fulfil their financial obligations towards the Group, there is a credit risk. The Group's current and potential customers and other counterparties may get in a financial situation where they cannot pay the agreed fees or other amounts owed to the Group as they fall due or otherwise abstain from fulfilling their obligations. The Group's use of "forward funding" purchase agreements, as described above, also entails a credit risk as, *inter alia*, the buyer may experience financial difficulties and become unable to carry the increased costs. This could lead to delays and increased costs for the Group. If the Group's counterparties cannot fulfil their obligations towards the Group, it could have a negative impact on the Group's operations earnings and financial position.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risks related to legal, regulatory and corporate governance issues

The Group's tax situation may be adversely affected if changes are made in taxation legislation

The Group operates through a number of subsidiaries in Sweden. The handling of tax issues within the Group is based on interpretations of current taxation legislation, tax treaties and other taxation regulations in the countries concerned, and the determinations of the affected tax agencies. From time to time, the Group and its subsidiaries are subject to tax audits and reviews. There is a risk that tax audits or reviews will result in additional tax being applied, for example with regard to previous acquisitions, mergers, splits and corporate restructurings, transactions with employees, interest deductions and deductions for improvement expenditure. On 30 March 2017, the Swedish government presented a law proposal (*SOU 2017:27*) that, if enacted, is likely to affect the future taxation of real estate investments. The proposal includes, *inter alia*, that the deferred tax liability related to the difference between tax residual value and market value on properties will be triggered upon a change of control of a real estate owning company and that indirect sales of properties would be subject to stamp duty. If the law proposal would be implemented in its current wordings, this could imply tax payable upon all of the Group's future disposals of property-owning companies.

If the Group's interpretations of taxation legislation, tax treaties and other taxation regulations or their applicability are incorrect, if one or more government agencies are successful in making adverse adjustments to the tax payable for a business unit within the Group, or if the current legislation,

treaties, rules or interpretations thereof change, or administrative practices in respect thereof change, including those with retrospective application, the Group's previous and current management of tax issues may be challenged. If the tax agencies are successful in their claims, this could lead to an increased tax expense (including a tax surcharge and interest) which could have a material negative impact on the Group's results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

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

The Group operates across various geographical markets and its business must comply with the requirements set out in a number of codes, acts and regulations in the jurisdictions in which it operates. Such regulations include, *inter alia*, zoning regulations, building standards and safety regulations. For example, in Sweden, the Group's business is regulated by, amongst others, 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 between SEK 1,000 and SEK 1,000,000, 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 a renovation done without the required permit. 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 negatively impact the Group's business, financial position, results of operations and prospects. In addition, there is a risk that the Group's interpretation of existing codes, acts and regulations may be incorrect, or that the accepted interpretation of these codes could change in the future 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 proceeds or claims and if the outcome of any future legal or administrative proceeding turns out to be negative for the Group, this could have a material adverse impact on the Group's financial position and results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

The Group's operations are exposed to environmental risks and must comply with various health, safety and environmental regulations which may adversely affect the Group's operations and future earnings

The Group's operations in property management and property development carry environmental risks and the Group is subject to environmental regulations that may impose liability if the Group

fails to comply. Although the Group conducts inspections during the acquisition of individual properties, there is a risk that environmental regulations were not complied with. Under current environmental legislation in the jurisdiction in which the Group operates, 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, the Group may be ordered to restore the property to a state that is compliant with environmental legislation. This may involve solid decontamination or remediation in respect of the presence of, or suspicion of the presence of, contaminants in the soil, catchment areas or groundwater. The costs to the Group of investigation, removal or remediation required to comply with environmental regulations may be substantial and therefore such orders may negatively impact the Group's earnings, 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 the Group with respect to sanitation or remediation regarding currently held or future acquired properties. Such changes could also result in increased costs or delays for the Group in carrying out any of its development projects.

The Group is and may also be subject to further regulation in areas such as occupational health and safety, the handling and/or removal of asbestos, as well as acts and regulations limiting emissions of greenhouse gases such as through energy and electricity consumption. Non-compliance with such acts and regulations in any of the jurisdictions in which the Group operates may result in the government issuing orders for enforcement measures, imposing fees or fines, and, in some cases, even imposing restrictions on the operations of the Group, which may be severe.

Furthermore, contamination may also be detected on properties and in buildings, in particular during renovation processes or when buildings are upgraded for environmental certification. The discovery of any contaminants or residual pollution in connection with the lease or sale of properties could trigger claims for rent reductions, damages or lease terminations. Measures to remove such contaminants or remediate any pollution can be required as part of the Group's ongoing operations and may, depending on the extent of contamination, involve considerable costs and have a material adverse impact on the Group's results of operation.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

The Issuer is dependent on its subsidiaries.

The Issuer is the parent company of the Group whose operations are mainly conducted through subsidiaries. The Issuer's ability to make interest payments on any interest-bearing debt (including the Bonds) will be affected by the ability of the subsidiaries to pay dividends and transfer funds to the Issuer. The Issuer is therefore dependent on its subsidiaries to meet its payment obligations under the Bonds. Transfers of funds to the Issuer from the subsidiaries may be restricted or prohibited entirely as a result of legal and contractual restrictions on the respective subsidiaries. In particular, certain subsidiaries are subject to distribution restrictions under their banking arrangements, prohibiting them from upstreaming cash to the Issuer. Furthermore, the subsidiaries are separate legal

entities with no responsibility to discharge the Issuer's obligations to its creditors. If the subsidiaries do not pay dividends, or are prevented from providing liquidity to the Issuer due to other circumstances or conditions, laws or regulations, there is a risk that the Issuer will be unable to meet its payment obligations to the Bondholders or other creditors, which could result in the Group's financial indebtedness being subject to immediate repayment and, subsequently, a right for creditors to enforce transaction security.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risk factors specific and material to the Bonds

The claims of holders of the Bonds are structurally subordinated to those of certain other creditors of the Issuer and to creditors of the Issuer's subsidiaries

All assets are owned, and all revenues are generated in, the subsidiaries or the associated companies of the Issuer. Generally, lenders and other creditors of the Issuer's subsidiaries or associated companies are entitled to payment of their claims from the assets of such subsidiaries or associated companies before these assets would be available for distribution to the Issuer, as direct or indirect shareholder, which would then allow for the Issuer to make payments under the Bonds. It should be noted that the Issuer and its subsidiaries and associated companies have the possibility to incur additional financial indebtedness to finance, *inter alia*, acquisitions, investments and development of properties. Thus, the Bonds will constitute structurally subordinated liabilities of the Issuer's subsidiaries and associated companies, meaning that creditors of claims against a subsidiary or associated company will be entitled to payment out of the assets of such subsidiary or associated company before the Issuer. The subsidiaries and associated companies are legally separate entities and distinct from the Issuer and have no obligation to settle or fulfil the Issuer's obligations. Any debt that the Issuer's subsidiaries may incur in the future will also rank structurally senior to Bonds.

A significant part of the Group's assets and revenues are generated by the Issuer's subsidiaries or associated companies. The ability of the subsidiaries and associated companies to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and local law. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries or associated companies, all creditors of such subsidiary or associated company would be entitled to payment in full out of the assets of such subsidiary and/or associated company before any entity within the Group, as a shareholder, would be entitled to any payments.

The Group or its assets may not be protected from any actions by the creditors of any subsidiaries or associated company of the Group, whether under bankruptcy law, by contract or otherwise. In addition, default by, or the insolvency of, certain subsidiaries or associated companies of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of the obligations of such subsidiaries or associated companies, or in the occurrence of cross defaults on certain borrowings of the Group.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Risks related to the Bonds' floating rate structure

The value of the Bonds depends on several factors, one of the most significant in the long term being the market interest rates. The Bonds bear a floating rate interest at the rate of a base rate plus a margin. The initial base rate for the Bonds is 3-month STIBOR. Hence, the interest rate is to a certain extent adjusted for changes in the general interest rate levels. There is a risk that an increase in the general interest rate levels will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the state of the international economy and is outside the Group's control.

Further, the process for determining interest-rate benchmarks, such as STIBOR, is subject to a number of statutory rules and other regulations. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) ("**the Benchmark Regulation**"). The implementation of the Benchmark Regulation has led to the discontinuation of certain benchmarks that were previously used. There is a risk that also STIBOR will be discontinued, or that alternative benchmark rates will dominate market practice, leading to uncertainties in relation to the interest rate payable in relation to the Bonds. Increased or altered regulatory requirements and risks associated with the Benchmark Regulation involve inherent risks, as the effects cannot be fully assessed at this point in time. There is a risk that developments in relation to STIBOR will cause volatility in STIBOR, which would affect the interest rate for the Bonds.

Should STIBOR be discontinued or cease to be provided, the Terms and Conditions provides for an alternative calculation of the interest rate for the Bonds. There is a risk that such alternative calculation results (including the determination of any Successor Base Rate) in an interest rate which is less advantageous for the Bondholders or that such interest rate does not meet market interest rate expectations.

Credit risks

Investors in the Bonds are exposed to credit risk in relation to the Issuer. An investor's possibility to obtain payment in accordance with Terms and Conditions is therefore dependent on the Issuer's ability to meet its payment obligations. The Issuer's financial position, i.e. its ability to meet its payment obligations, is affected by several factors, such as the risk that the Group's counterparties are unable to fulfil their financial obligations towards the Group (as further describe in section "*Credit and counterparty risk*" above). An increase in credit risk for the Bonds may also cause the market to price the Bonds with a higher risk premium, which could adversely affect the value of the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Refinancing risks

The Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. The Group's access to financing sources may not be available on favourable terms, or at all. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on the Bondholders' recovery under the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Ability to comply with the Terms and Conditions

The Group is required to comply with the Terms and Conditions. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds. This would require the Issuer to prepay the Bondholders at the applicable call premium. It is possible that the Issuer will not have sufficient funds at the time of the prepayment to make the required redemption of Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Market price of Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variation in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Groups operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group's operating results, financial conditions or prospects.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Majority owners

The Issuer is controlled by two Main Shareholders whose interest may conflict with those of the Bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. The Main Shareholders have legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, the Main Shareholders will have the ability to elect the board of directors. Furthermore, the Main Shareholders may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the Bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's business, financial position and results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Loans to subsidiaries not wholly-owned by the Issuer and other companies where the Issuer, directly or indirectly hold a minority interest

A part of the Group's strategy is to invest in joint ventures (a "**JV Company**"), and there are no restrictions in the Terms and Conditions for the Group to invest in such JV Companies. A JV Company may be controlled by a majority shareholder not being, directly or indirectly, wholly-owned by the Issuer and whose interest may conflict with those of the Group and the Bondholders, particularly if such JV Company encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder could, as described in section "*Majority owners*" above, have interest which may conflict with those of the Issuer and the Bondholders, even though the Group may have made substantial investments in such JV Company, and the Groups investments in such JV companies could, in part or whole, be lost. If such an event would arise, it could have a material negative impact on the Group's business, financial position and results of operations.

It should also be noted that a JV company, which is not considered to be a "Subsidiary" under the Terms and Conditions, is not subject to the undertakings and event of default catalogue, including insolvency and insolvency proceedings, set out in the Terms and Conditions, and any action taken by, or occurring to, such JV Company would not trigger an event of default under the Terms and Conditions, and such actions or potential events might involve risks to the Bondholders, and ultimately the position of the Bondholders.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risks relating to the transaction security

If a Group company, whose shares have been pledged in favour of the Bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have a limited value because all of the Group companies' obligations must first be satisfied, potentially leaving little or

no remaining assets in the subsidiary for the Bondholders. As a result, there is a risk that the Bondholders will not recover the full value (or any value) of the shares. In addition, the value of the shares subject to pledges may decline over time.

The value of any Material Intra-Group Loan, which is subject to security in favour of the Bondholders, is largely dependent on the relevant debtor's ability to repay such Material Intra-Group Loan. Should the relevant debtor be unable to repay its debt obligations upon an enforcement of a pledge of the Material Intra-Group Loan, the Bondholders may not recover the full or any value of the security granted over the Material Intra-Group Loan.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

As security over any Material Intra-Group Loans (other than Material Intra-Group Loans granted to Sehlhall Holding) shall not be perfected until an acceleration of the Bonds in accordance with the Terms and Conditions, there is a risk that the security over such Material Intra-Group Loans may not be enforceable and that it may become subject to claw-back claims. Hence, there is a risk that the Bondholders will not be able to benefit from the unperfected security over any Material Intra-Group Loans, which could adversely affect the Bondholders' recovery under the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risks relating to the enforcement of transaction security

Although the obligations under the Bonds will be secured by first priority pledges over all shares in each Initial Holding Company and each Additional Holding Company, all present and future Material intra-Group Loans (including security over any new Material Intra-Group Loans) and the Escrow Account, it is not certain that the proceeds of any enforcement of the relevant security would be sufficient to satisfy all amounts then owned to the Bondholders.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risk would materialise, the Issuer considers the potential negative impact to be medium.

Risk relating to the guarantee

Although the obligations under the Bonds are secured by a guarantee provided by the Guarantor, there is a risk that the Guarantor does not have sufficient funds to fulfil the Issuer's obligations at the relevant time. Further, the Guarantor is not prohibited under the Terms and Conditions to provide additional guarantees to members of the Group or other project entities (including entities where the Group only have a minority interest). Furthermore, if the Guarantor provides additional guarantees

or other obligations and liabilities there is a risk that the Guarantor cannot fulfil its obligations towards the Bondholders.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Security over assets granted to third parties

The Group may, subject to limitations, incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third party debt provider, such as a credit institution, the Bondholders will, in the event of bankruptcy, reorganisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group would enforce such security due to a default by any Group company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and ultimately the position of the Bondholders.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Currency risks

The Bonds will be denominated and payable in SEK. If Bondholders in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Early redemption and put options

Under the Terms and Conditions the Issuer has the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for the Bondholders

to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and might only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if (a) the Bonds have not been admitted to trading on Nasdaq Stockholm (or any other Regulated Market) within 60 days of the first issue date or (b) one or more persons (other than a Main Shareholder (as defined in the Terms and Conditions)) acting together, acquire control over the Issuer and where “control” means (A) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the votes of the Issuer, or (B) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer. The Bonds are further subject to prepayment at the option of each bondholder if, following an initial public offering of the ordinary shares of the Issuer, the shares in the Issuer are delisted. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Bondholders and not only those that choose to exercise the options.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

No action against the Issuer and Bondholders’ representation

In accordance with the Terms and Conditions, the agent (being on the first issue date Nordic Trustee & Agency AB (publ)) (the “**Agent**”) will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions) which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent Bondholders in court, the bondholder and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all Bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, the actions of the Agent in such matters could impact a bondholder’s right under the Terms and Conditions in a manner that would be undesirable for some Bondholders.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Bondholders' meeting

The Terms and Conditions include certain provisions regarding Bondholders' meeting and written procedures. Such meetings and procedures may be held in order to resolve on matters relating to the Bondholders' interests. The Terms and Conditions will allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting or procedure and those who have voted differently to the required majority at a duly convened and conducted Bondholders' meeting or written procedure. Consequently, the actions of the majority in such matters could impact a bondholder's right in a manner that would be undesirable for some of the Bondholders.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risks relating to the clearing and settlement in Euroclear's book-entry system

The Bonds are affiliated to Euroclear's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system and any problems thereof could have an adverse effect on the payment of interest and repayment of principal under the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Secondary market and liquidity risk

The Issuer shall ensure that the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) days from the Issue Date. Thus, the Issuer will apply for listing of the Bonds at Nasdaq Stockholm. However, there is a risk that the Bonds will not be approved for listing in time (or at all).

If the Issuer fails to procure listing in time, Bondholders will be entitled to prepayment at the option of each bondholder, see further under section "*Early redemption and put options*" above. Further, if the Issuer fails to procure listing in time, investors holding Bonds on an investment savings account (Sw. *ISK or IS-konto*) will no longer be able to hold the Bonds on such account, thus affecting such investor's tax situation.

Even if the Bonds are admitted to trading, there may be a lack of demand for, and trade in, the Bonds. This can result in investors being unable to sell their Bonds at a desired time or to a return which is comparable to similar investments that have an existing and functioning secondary market. This lack of an efficient marketplace and a liquid secondary market may adversely affect the market value of the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risks relating to sustainable bonds

The Issuer intends to use the net proceeds of the issue of the Bonds in accordance with the Sustainability Bond Framework. However, there is currently no clear definition of, legal or otherwise, or market consensus as to what constitutes a “sustainable” or an equivalently-labelled project. Accordingly, there is a risk that any projects, asset or uses defined in the Sustainability Bond Framework will not meet current or future investor expectations regarding such “sustainable” or other equivalently-labelled objectives, in particular as future developments or legal requirements as to the definitions of “sustainable”, whether according to applicable law or regulations or by such investor’s own by-laws, other governing rules or investment portfolio mandates, may change.

The Terms and Conditions will contain certain undertakings in respect of the Sustainability Bond Framework, including to use the proceeds in accordance with the Sustainability Bond Framework and to publish a report in relation thereto. A failure by the Issuer to comply with the undertakings relating to the Sustainability Bond Framework does not give the Bondholders a right to accelerate the Bonds or require that the Issuer repurchase the Bonds.

Should the Issuer fail to use the net proceeds in accordance with the Sustainability Bond Framework, there is a risk that Bondholders consequently would be in breach of any investment criteria, mandates or guidelines with which a bondholder is required to comply with and could result in remedies under the relevant investment criteria, mandates or guidelines, which could result in investors facing, *inter alia*, claims or reputational damages. While the Issuer shall use an amount equal to the net proceeds from the issue of the Bonds in accordance with its Sustainability Bond Framework, there is a risk that circumstances beyond the Issuer’s control, as, for instance, circumstances relating to general economic conditions or the developments in the global financial markets result in that the projects funded by the net proceeds may not be implemented in the intended matter (*see Risk factors “The Group’s business, results of operations and profitability are subject to risks related to general economic conditions and demographic trends in its geographical markets” and “The Group’s business, results of operations and profitability are subject to risks related to developments in the global financial markets” above*).

There is further a risk that circumstances beyond the Issuer’s control result in that such projects may not be completed within any specified period (or at all) or with the results or outcome originally expected by the Issuer. Any such event or failure by the Issuer will not, as previously mentioned, constitute an event of default under the Bonds.

Due to the rapidly changing market conditions for ESG securities, there is a risk that the expectations of current or future investors will not be met which could negatively affect the secondary trading of the Bonds. Furthermore, should such market conditions significantly change, there is a risk that a bondholder cannot trade its Bonds at attractive terms, or at all.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the Board of Directors of the Company on 6 March 2024 and was subsequently issued by the Company on 13 March 2024.

This Prospectus has been prepared in connection with the Company's application to list the Bonds on the sustainable bond list of Nasdaq Stockholm, in accordance with the Prospectus Regulation.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) as competent authority under the Prospectus Regulation. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus. Further, such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds.

The Company is responsible for the information given in this Prospectus. The Company is the source of all company specific data contained in this Prospectus and neither the joint bookrunners nor any of its representatives have conducted any efforts to confirm or verify the information supplied by the Company.

There is no information in this Prospectus that has been provided by a third party. The Board of Directors confirms that, to their best knowledge, the information contained in this Prospectus, including the registration document and the securities note, is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

Stockholm, 3 May 2024

Sehlhall Fastigheter AB (publ)

The Board of Directors

THE BONDS IN BRIEF

The following summary contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.

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| Issuer: | Sehlhall Fastigheter AB (publ), a limited liability company with corporate identity no. 559114-3481. |
| The Bonds: | Senior secured floating rate sustainability bonds in an amount of SEK 200,000,000. Each Bond has a Nominal Amount of SEK 1,250,000. |
| Bonds to be admitted to trading: | This Prospectus relates to the admission to trading of the SEK 200,000,000 Bonds that have been issued under the Terms and Conditions. |
| ISIN: | SE0021627361 |
| Issue Date: | 13 March 2024 |
| Issue Price: | The Bonds are issued at a price equal to 98.50 per cent. of the Nominal Amount. |
| Issuing Agent: | Initially, Swedbank AB (publ) (corporate identity no. 502017-7753) and thereafter each other party appointed as Issuing Agent in accordance with the Terms and Conditions and the CSD Regulations. |
| Interest Rate: | The Bonds shall carry interest at three (3) months STIBOR plus the Margin, payable quarterly in arrear. STIBOR floor at 0.00 per cent. and customary base rate provisions will apply in accordance with Clause 19 (<i>Replacement of Base Rate</i>) in the Terms & Conditions. |
| Margin: | 8.00 per cent. <i>per annum</i> . |
| Benchmark Regulation: | The interest payable under the Bonds is calculated by reference to the benchmark STIBOR (as defined in the Terms and Conditions). STIBOR is a reference rate that shows an average of the interest rates |

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| | <p>at which a number of banks active on the Swedish money market are willing to lend to one another without collateral at different maturities.</p> <p>As at the date of this Prospectus, the SFBF which provides STIBOR, appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).</p> |
| Interest Payment Date: | <p>13 March, 13 June, 13 September and 13 December of each year.</p> <p>The first Interest Payment Date shall be 13 June 2024.</p> <p>The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full).</p> <p>To the extent any of the above dates is not a Business Day, the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.</p> |
| Nominal Amount and Denomination: | <p>The Nominal Amount of each Bond is SEK 1,250,000. The total nominal amount of the Bonds issued is SEK 200,000,000. All Bonds are issued on a fully paid basis at an issue price of 98.50 per cent. of the Nominal Amount. The Bonds are denominated in SEK.</p> |
| Status of the Bonds: | <p>The Bonds are denominated in SEK and each Bond is 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.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> 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.</p> |
| Use of proceeds: | <p>The Issuer shall use an amount equal to the Net Proceeds of the Bonds in accordance with its Sustainability Bond Framework, including to refinance the Existing Bonds.</p> |
| Admission to trading: | <p>The Issuer shall ensure that the Bonds are admitted to trading (Sw. <i>upptagna till handel</i>) on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain,</p> |

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| | admitted to trading on any other Regulated Market, within twelve (12) months from the Issue Date. |
| Central Securities Depository (CSD): | The Issuer's central securities depository and registrar in respect of the Bonds from time to time, Euroclear Sweden AB, corporate identity no. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden. |
| Agent: | <p>Nordic Trustee & Agency AB (publ), corporate identity no. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions, will act as Agent for the Bondholders, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.</p> <p>The Terms and Conditions will be available on the Issuer's website www.sehlhall.se and on the Agent's website: www.nordictrustee.com.</p> <p>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 (<i>företagsrekonstruktion</i>) or bankruptcy (<i>konkurs</i>) (or its equivalent in any other jurisdiction) of the Issuer, any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security of the Guarantee 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.</p> |
| Security Agent: | <p>Nordic Trustee & Agency AB (publ), corporate identity no. 556882-1879, has been appointed as Security Agent and will hold the Transaction Security on behalf of the Secured Parties.</p> <p>By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Security Agent to act on its behalf in all matters relating to the Transaction Security, the Security Documents, the Guarantee and the Guarantee Agreement, including any legal or arbitration proceeding relating to the perfection,</p> |

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| | preservation, protection or enforcement of the Transaction Security and the Guarantee. |
| Transferability: | 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. |
| Redemption date: | The Final Maturity Date is 13 March 2027. 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. |
| Guarantee Agreement: | The Guarantee Agreement dated 3 April 2024 entered into between the Issuer, the Guarantor and the Security Agent (acting on its own behalf and on behalf of the Secured Parties) for the purpose of securing the Issuer's obligations under the Finance Documents, including the Bondholders. See “ <i>Description of material agreement – Guarante Agreement</i> ” for further details. |
| Guarantee: | The Guarantor will irrevocably and unconditionally as principal obligor, guarantee to the Security Agent and the Bondholders (represented by the Security Agent) the punctual performance by the Obligor of all the Obligor's obligations. |
| Guarantor: | The Bonds benefit from a guarantee from the Guarantor, Sehlhall Holding AB, corporate identity no. 559239-8993. |
| Security: | The Bonds are secured by security interests granted on an equal and rateable first-priority basis pursuant to the Guarantee Agreement, the Share Pledge Agreement and the Material Intra-group Loans Pledge Agreements. See the definition of “Security Documents” in Clause 1.1.(<i>Definitions</i>) of the Terms and Conditions. |

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| Voluntary Redemption option): | total (call option): | The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Maturity Date. The Bonds shall be redeemed at the applicable Call Option Amount together with accrued but unpaid interest, in accordance with Clause 10.3 (<i>Voluntary total redemption (call option)</i>) of the Terms and Conditions. |
| Mandatory repurchase option): | (put option): | Upon the occurrence of a Change of Control Event, Listing Failure Event or Delisting Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101) per cent. of the Nominal Amount together with accrued but unpaid interest, during a period of thirty (30) Business Days following the effective date of a notice from the Issuer of the Change of Control Event, the Listing Failure Event or the De-Listing Event (after which time period such rights lapse). The repurchase date must fall no later than twenty (20) Business Days after the end of the period of twenty (20) Business Days referred to above, in accordance with Clause 10.5 (<i>Mandatory repurchase due to a Change of Control Event, Listing Failure Event and/or Delisting (put option)</i>) of the Terms and Conditions. |
| Limitation: | | 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. |
| Rights: | | 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. |
| Applicable law: | | The Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden. The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (Sw. <i>Stockholms tingsrätt</i>). |

Sustainability Bond Framework

As part of its ESG efforts, the Issuer has established a sustainability financing framework (the “**Sustainability Bond Framework**”) to further integrate its core sustainability objectives with its financing activities. The Sustainability Bond Framework was published in April 2022 and is available on the Issuer’s website ([link](#)), where any updates to the Sustainability Bond Framework will also be made available. An amount equivalent to the Net Proceeds from the Bond Issue shall be applied in accordance with the Sustainability Bond Framework.

The Sustainability Bond Framework has been developed in line with the industry standard Sustainability Bond Guidelines 2021 set by the International Capital Markets Association (ICMA), which in turn are based on the Green Bond Principles 2021 and Social Bond Principles 2021, and has undergone an independent evaluation by the ISS ESG, which is available on the Issuer’s website. ISS ESG’s review focuses on the sustainability quality of the Issuer and Sustainability Bond Framework and, amongst others, on the compatibility of the Sustainability Bond Framework with the recommended components of the ICMA Sustainability Bond Guidelines, which are described below:

- (i) Use of Proceeds;
- (ii) Process for Project Evaluation and Selection;
- (iii) Management of Proceeds
- (iv) Reporting; and
- (v) External Review.

In the second party opinion ISS ESG states that the Issuer has defined a formal concept for its Sustainable Financing Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. ISS ESG further confirms that the Sustainability Bond Framework is aligned with ICMA’s Sustainability Bond Guidelines, as well as the Green Bond Principles and Social Bond Principles, as of June 2021, and the Loan Market Association’s (LMA) Green Loan Principles and Social Loan Principles, as of June 2021. The ISS ESG second party opinion was published on 7 April 2022 and will remain valid and relevant to all Sustainability Bonds issued under the Sustainability Bond Framework as long as there is no material change to the Sustainability Bond Framework.

ISS ESG states in its second party opinion that the selection criteria have good sustainability benefits, risk avoidance, and minimization based on their assessment, and rates the Sustainability Bond Framework as Positive.

The ISS ESG second party opinion methodology is designed to assist companies and institutions issuing sustainable bonds by advising them on the categories of projects to be financed, helping them to define ambitious criteria, and providing transparency to investors seeking to understand and act on potential exposure to sustainability risks and impacts. ISS ESG’s second party opinion does not form part of this Prospectus nor is it a recommendation to buy, sell or hold Bonds. Any future lack

of verification from ISS ESG or another independent party does not entail an event of default under the Terms & Conditions. In such cases, Bondholders do not have the right to prepayment or repurchase of a Bond or other compensation.

Regarding the use of proceeds, an amount equal to the net proceeds of the Bond Issue shall be used to finance or re-finance, Eligible Assets providing distinct environmental benefits (“**Green Eligible Assets**”) and/or social benefits (“**Social Eligible Assets**”). The Company will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Eligible Assets. The proceeds of the Bond Issue may not be used to finance either fossil fuel energy generation, nuclear energy generation, weapons, and defence industries nor potentially environmentally negative resource extraction, gambling, or tobacco.

The Green Eligible Assets include (i) green & energy efficient buildings and (ii) energy efficiency. Regarding (i), the funds can be used to finance or refinance new buildings and major renovations or existing buildings that meet specific requirements for green certification and energy consumption defined in the Sustainability Bond Framework. Regarding (ii), the funds can be used to finance or refinance energy retrofits such as installation of solar panels, heating pumps, improvements in ventilation systems, extension of district heating and cooling systems, improvements, and implementation of control systems, as well as activities enabling renewable energy.

The Social Eligible Assets include access to essential services. In this regard, the funds can be used to finance or refinance community service buildings (new buildings, major renovations & existing buildings) such as nursing homes, group housing (Sw. *LSS-boenden*) and school properties. According to the ISS ESG second party opinion, the use of proceeds financed through the Bond Issue are consistent with the Issuer’s sustainability strategy and material ESG topics for the Issuer’s industry and the rationale for issuing Sustainability Bonds is clearly described by the Issuer.

The evaluation and selection process for Green Eligible Assets and Social Eligible Assets is a key process in ensuring that the amount equivalent to the net proceeds from the Bond Issue are allocated to assets and expenditures which meet the criteria in the Sustainability Bond Framework. The process involves screening Green Eligible Assets and Social Eligible Assets to ensure compliance with the sustainability criteria of the Sustainability Bond Framework and relevant policies and guidelines. As part of the selection process of Green Eligible Assets and Social Eligible Assets the Issuer has established a dedicated group, the Sustainability Finance Committee (the “**SFC**”), which is composed of the Chief Executive Officer, the Chief Financial Officer, and the Construction Manager.

The Company will assure that the sustainability expertise always relies within the SFC and all decisions, including the selection process of Green Eligible Assets and Social Eligible Assets, are made through consensus. The finance department is responsible for maintaining an up-to-date list of Green Eligible Assets and Social Eligible Assets, which is monitored on a regular basis during to ensure that the proceeds are sufficiently allocated to Green Eligible Assets and Social Eligible Assets. This is also a responsibility of the SFC. Any unallocated proceeds may be temporary held by Company and placed on the Company’s ordinary bank account. Such event does not entail an event of default under the Terms and Conditions. In such cases, Bondholders do not have the right to prepayment or repurchase of a Bond or other compensation.

To be fully transparent towards investors and other stakeholders, the Issuer commits to regular reporting until no Bonds are outstanding. Information on the use of proceeds will be renewed annually until full allocation, and on a timely basis in case of material developments. The report will be published on the Issuer's website; www.sehllhall.se on an annual basis. Allocation of proceeds reporting will also be subject to an annual review by an external part/verifier. The verification report provided by the external part will be published on Issuer's website www.sehllhall.se. Inadequate or non-existent reporting by the Issuer as described above does not entail an event of default under the Terms & Conditions. In such cases, Bondholders do not have the right to prepayment or repurchase of a Bond or other compensation.

The European Council and the European Parliament made a political agreement in December 2019 regarding the so-called taxonomy regulation (Regulation EU 2020/852) concerning a harmonised classification system with rules as regards the assessment of green and sustainable investments (the "**Taxonomy Regulation**"). The Issuer aims to ensure that the Sustainability Bond Framework as far as possible be compatible with the Taxonomy Regulation.

INFORMATION ABOUT THE GROUP

History and development of the Issuer

The Company, Sehlhall Fastigheter AB (publ) (being the Company's legal and commercial name (Sw. *handelsbeteckning*)) is registered with the Swedish Company Registration Office (Sw. *Bolagsverket*), with registration number 559114-3481. The foundation of the Company was laid already in 2009 under the name Casa Firmus, but the Company was incorporated in Sweden on 15 May 2017 in accordance with Swedish law. The Company is a Swedish public limited liability company and the Company's operations are regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Company's Legal Entity Identifier (LEI) code is: 549300570R011QZC7505 and the Company's registered address is: Tegnérsgatan 8, 113 58 Stockholm, Sweden and its registered seat is in Sweden, and the telephone number of its registered office is +46 8-677 76 10.

According to the Company's current articles of association, adopted on 20 May 2021, the Company's business shall be to own, buy and sell property and securities and activities compatible therewith.

The Group's website is www.sehlhall.se. Please note that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the Prospectus.

History and development of the Guarantor

Sehlhall Holding AB

The Guarantor, Sehlhall Holding AB (being the Guarantor's legal and commercial name (Sw. *handelsbeteckning*)) is registered with the Swedish Company Registration Office (Sw. *Bolagsverket*), with corporate identity no. 559239-8993. The Guarantor was founded on 12 September 2019 in Sweden in accordance with Swedish law. The Guarantor is a Swedish private limited liability company and the Guarantor's operations are regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Guarantor's LEI code is: 5493001TVRZ606QL7J31 The Guarantor's registered address is: Tegnérsgatan 8, 113 58 Stockholm, Sweden and its registered seat is in Sweden, and the telephone number of its registered office is +46 8-677 76 10.

According to the Guarantor's current articles of association, adopted on 4 March 2020, the Guarantor's business shall be to own and manage fixed and movable property and activities compatible therewith.

The Group's business and operations

General

The Company create and manage *social infrastructure*. This includes properties adapted to function as a social safety net, enabling and ensuring the security, well-being and health of society, by offering

various forms of adapted and tax-financed support functions, accessible to all citizens, preferably located in the city's hubs and flow rooms. The Company create and manage modern, sustainable community service buildings, for example preschools and schools, group housing and nursing homes and always with the people at the centre. Currently the Company has properties and projects in more than 20 municipalities across Sweden.

The Company is aiming to become a leading provider of social infrastructure in Sweden by delivering cost-efficient, high-quality buildings for all stages in life. The Company's business plan is to own and manage the mayor part of the developed and built properties going forward. Further, the Company has a diversified project pipeline, and the current project portfolio holds approximately 22 projects, corresponding to an expected value of ~SEK 3 billion, once completed. As of 31 December 2023, the lettable area amounted to 10,311 square meters and the property portfolio was valued to SEK 1 452 million with a rental income of SEK 36 million.

The Group's operations are mainly conducted through the Group's subsidiaries. The operations are divided into four areas of expertise: Sehlhall Nursing Homes (Sw. *Sehlhall Vårdbostäder*), Sehlhall Group Housing (Sw. *Sehlhall Gruppboenden*) and Sehlhall Preschools (Sw. *Sehlhall Förskolor*), as well as Stadsbyggnadsbolaget, which operates under its own brand. The Group operates nationwide to design and oversee secure, contemporary, sustainable and aesthetically pleasing preschools, group housing and nursing homes. The Group aims to create added value by allowing its properties to interact with the surrounding environment, based on the unique conditions of each location. The company collaborates with a number of experts in different fields to ensure that its care properties are always of the highest quality.

Sehlhall Nursing Homes

Sehlhall Nursing Homes develops, owns and manages nursing homes and sheltered housing in growing municipalities. The primary objective of Sehlhall Nursing Homes is to promote the health, safety, and well-being of its residents through care and nursing services. The design of the properties should protect the residents' integrity while also preventing isolation and encouraging a sense of community. Furthermore, Sehlhall Nursing Homes aims to create an inspiring and optimal working environment that prevents work-related injuries, frees up time to spend with residents, and encourages collaboration between departments and activities.

In 2023, the Company gained access to a property in Nynäshamn. Construction of a nursing home with 50 apartments, certified according to Miljöbyggnad Silver, began with Vardaga as the tenant. Completion is expected in the third quarter of 2025. Furthermore, the Land and Environment Court of Appeal has approved the zoning plan for Gammeludden in Nacka Municipality. This allows Sehlhall Nursing Homes' project planning to proceed in collaboration with the municipality, based on an approved local plan that includes expanded building rights. Additionally, a lease agreement has been signed with Attendo for an 80-bed nursing home in Upplands-Bro.

Sehlhall Group Housing

Sehlhall Group Housing develops, owns and manages group housing (Sw. *LSS-boenden*) for people with functional variation. Sehlhall Group Housing has been managing quality group housing since

2010, with a focus on creating attractive, accessible, and health-promoting living spaces that comply with the Law regulating Support and Service to Persons with Certain Functional Disabilities (Sw. *Lag (1993:387) om stöd och service till vissa funktionshindrade*). The aim is to provide residents with housing that is tailored to their individual needs, based on the values of safety and independence for the individual.

In 2023, two more group homes obtained environmental certification according to Miljöbyggnad i Drift. Now, all existing group homes that have been in operation for at least three years are certified according to this standard. Additionally, in early 2024, Adela took possession of a newly built group home in Slite on Gotland, which was constructed by Peab and is environmentally certified according to the Nordic Swan Ecolabel. The construction in Enskede is progressing as planned and is expected to be completed by March/April 2024. Attendo has signed a lease for a six-unit group home in Upplands-Bro. Additionally, Nyhem, the company's group home in Finspång, has been nominated for Building of the Year in the Social Property category by Byggindustrin.

Sehlhall Preschools

Sehlhall Preschools develops, owns and manages preschools in growing city areas. Sehlhall Preschools has experience in project management and collaboration with school architects, researchers, and organizations. Sehlhall Preschools ensures that important research is considered and guides projects to focus on the needs and challenges of the business. Together with the municipality, Sehlhall Preschools aims to identify local needs early on, increasing the potential to add value to the local community. The ultimate goal is to maximize societal benefits from limited resources.

In 2023, the construction of a preschool in Älmsta, Norrtälje municipality began. The tenant for this preschool will be Norlandia, and occupancy is expected to take place in the spring term of 2025. The preschool is primarily constructed with wood and will be Nordic Swan certified. Furthermore, the expansion of the Trädkronan preschool in Västerås has been completed. A new 15-year lease with Dibber as the tenant has commenced at the turn of the year 2023/2024.

Stadsbyggnadsbolaget

Stadsbyggnadsbolaget refines land to create functional communities that enrich people, places, and society. In general, Stadsbyggnadsbolaget does not construct houses but rather develops building rights and sells them to entrepreneurs who share the vision of the area in question. This allows them to develop land together with landowners through joint ventures. When developing properties, Stadsbyggnadsbolaget refines the properties and manages some of the existing properties. In 2023, the municipal area plan for Björknäs and Eknäs, which includes our Skuru project, was adopted by the Nacka municipality. Additionally, the municipality has announced that planning for the first phase of Sundbyholm in Eskilstuna will begin in the second or third quarter of 2024.

Sustainability

The Company has a clear sustainability focus which is integrated in the Company's business model and strategy. The Company focus on developing and managing its properties both responsibly and sustainably through its' concept: "*climate-neutral social infrastructure*". The Company's Sustainability Policy and Code of Conduct provides a framework for the Company's sustainability

work in areas such as the environment, work-environment and anti-corruption. In addition to its employees and board members the Company also requires that major suppliers and sub-contractors comply with the Code of Conduct which helps to ensure that the business is guided in a sustainable way. The Company is also involved in research and development on crucial sustainability issues, for example through its membership in the *Swedish Green Building Council* and by participating in the group responsible for the development of a new Climate Plan for Eskilstuna municipality. In addition, the Company has introduced an environmental quality management system in accordance with ISO 9001 and ISO 14001 that was completed during 2021. In 2022, the Company further established a structure for follow-up and reporting based on the objectives established in the environmental quality management system.

The Company strives to create economically, environmentally, and socially sustainable buildings together with its stakeholders. The Company works proactively to reduce its environmental impact and as of the date of this Prospectus, (i) the Company builds mainly in wood and by doing so, the Company's buildings has the possibility to bind more CO₂ than emitted during the construction (ii) the Company prioritizes renewable energy and sign green electricity contracts, (iii) the Company uses district heating and/or geothermal heating with energy-efficient components, (iv) the Company install solar cells on its buildings where possible and the Company prioritises subcontractors with a clear environmental focus.

Furthermore, to achieve maximal resource efficiency the Company has entered a digital partnership with Mestro which allow Sehlhall to monitor, control and optimise functions and installations in buildings, such as temperature, ventilation, lighting and safety systems. In addition, the Company has built an energy centre in Eskilstuna in collaboration between Eskilstuna municipality and the Swedish Energy Agency, with the aim to contribute to the transition to a sustainable energy system by becoming a national knowledge hub with regards to energy issues. Further, environmental certifications help guarantee the buildings' environmental performance. The Company strives to create sustainable buildings and environmental certifications help safeguard an energy-efficient operation while also maintaining a healthy indoor environment. Sustainability also implies long-term collaboration with customers to enable long-term contracts, which in turn mitigates negative environmental impact.

In addition to limiting environmental impact, the Company has a clear agenda within social sustainability. As a provider of social infrastructure, the Company can create sustainable and high-quality community service buildings that supports organisations that focus on social care, work integration and education which enables the Company to fulfil its own objectives in social sustainability.

Material changes, investments and information on trends

There have been no trends known to the Issuer or the Guarantor affecting its businesses, respectively.

There has been no:

- i. significant change, aside from the repurchase and early redemption of the Guarantor's existing bonds with ISIN SE0013745411, the Bond Issue on 13 March 2024 and the share

issue of SEK 118 million on 21 March 2024, in the financial or market position of the Group since the latest published annual report;

- ii. material adverse change in the prospects of the Company since the date of publication of its latest audited financial statement;
- iii. recent events particular to the Company, aside from the repurchase and early redemption of the Guarantor’s existing bonds with ISIN SE001374541, the Bond Issue on 13 March 2024 and the share issue of SEK 118 million on 21 March 2024, which is to a material extent relevant to the evaluation of the Company’s solvency since the publication of the Group’s latest financial report; and
- iv. significant change in the financial performance of the Group, since the end of the last financial period for which financial information has been published to the date of this Prospectus.

Share capital and legal and ownership structure

The Issuer

As of the date of this Prospectus the Issuer has an issued share capital of SEK 1,567,450 divided into 1,567,450 shares; 545,033 class A shares and 1,022,417 class B shares. Each class A share carries ten (10) votes and has equal rights on distribution of income and capital. Each class B share carries one (1) vote and has equal rights on distribution of income and capital.

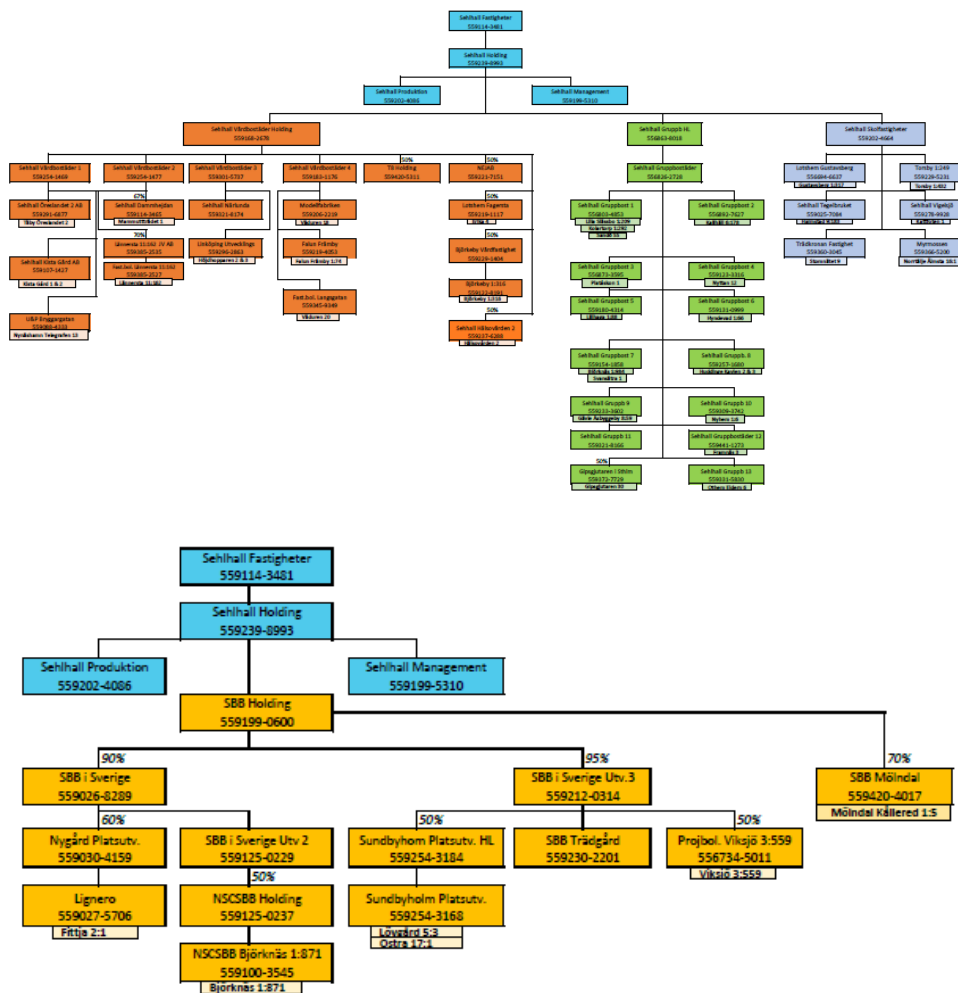
As of the date of this Prospectus, shareholders holding more than 5.0 per cent of the shares in the Issuer were (for further information please see the section “*Structural overview of the Group*” below”):

| Majority shareholder(s) | Class A | Class B | % of votes | % of capital |
|---|---------|---------|------------|--------------|
| Founders (Dan Sehlberg and Petter Hallenberg) | 398,207 | 0 | 61% | 25% |
| Other employees and the board of directors | 120,520 | 59,962 | 19% | 12% |
| Stena Fastigheter AB | 0 | 144,360 | 2% | 9% |
| Sky2 AB | 0 | 131,304 | 2% | 8% |
| CH Svanberg AB | 0 | 101,547 | 2% | 6% |
| Wilgot AB | 1,300 | 88,700 | 2% | 6% |
| Other external owners | 25,006 | 496,544 | 12% | 34% |

The Guarantor

As of the date of this Prospectus the Guarantor has an issued share capital of SEK 500,000 divided into 500,000 shares. As of the date of this Prospectus, the Issuer is the sole shareholder of the Guarantor.

Structural overview of the Group



The Group consist of sixty-three (63) companies, the ownership structure is illustrated in the diagram above.

The Group's operations are conducted in the Company's subsidiaries, mainly Sehlhall Fastigheter AB, Sehlhall Vårdbostäder Holding AB, Sehlhall Gruppbofastäder AB, Sehlhall skolfastigheter AB, Sehlhall Management AB and Sehlhall Produktion AB. As a consequence, the Issuer and the Guarantor are, to a large extent, dependent on the subsidiaries in order to generate profit and cash flow and, thus, to be able to meet its obligations under the Bonds.

The Issuer and the Guarantor are directly or indirectly owned or controlled by the Issuer's shareholders through their respective holdings. To ensure that such control is not abused, in its decision making and administration, the Issuer and the Guarantor follow the provisions of applicable law and relevant regulations, *inter alia*, the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)). The shareholders exercise their influence through active participation in the decisions made at the shareholder' meeting. Further, in decision making and administration, each Group Company's Articles of Association are observed (please refer to the section "*Corporate Governance*" below).

As far as the Company is aware, there are currently no agreements or equivalent that may later lead to changes in the control of the Issuer or the Guarantor, save for the Share Pledge Agreement pursuant to which the shares in the Guarantor have been pledged for the benefit of the Secured Parties, including the Bondholders (please refer to the section "*Material Agreements – Share Pledge Agreement*" below).

Management and auditor

Board of Directors of the Issuer

The Company's Board of Directors consists of six (6) ordinary board members, including the chairman. The members of the Board of Directors, their position and other relevant assignments are set forth below. All board members can be contacted through the Company's registered address, Tegnérgatan 8, 113 58 Stockholm, Sweden.

Anders Borg (born 1968) – Chairman of the Board of Directors

Other relevant assignments: Chairman of the Board of Directors of Checkin.com and DanAds. Board member of LKAB, Nederman, Viaplay Group, Rud Pedersen Group and Stena International. Senior advisor to Amundi, Kinnevik, Nordic Capital and East Capital. Anders Borg doesn't hold any shares in the Company directly. Indirectly (via company), Anders Borg holds 2 per cent of the votes and 1 per cent of the capital in the Company.

Dan T. Sehlberg (born 1969) – Member of the Board of Directors

Other relevant assignments: None of significance. Dan T. Sehlberg holds 30 per cent of the votes and 13 per cent of the capital in the Company.

Ivar Verner (born 1947) – Member of the Board of Directors

Other relevant assignments: Chairman of Erlandsons Brygga, Valsättra Exploaterings, and Craft Software Holding. Deputy Chairman of BioArctic. Ivar Verner doesn't hold any shares in the

Company directly. Indirectly (via company), Ivar Verner holds 1 per cent of the votes and 2 per cent of the capital in the Company.

Carl Hirsch (born 1950) – Member of the Board of Directors

Other relevant assignments: Chief Executive Officer of AB Industricentralen. Partner and founder of Landsort Care. Vice Chairman of the Isaak Hirsch Memorial Foundation. Board member of CaCharge and Nordic Trampoline Parks. Carl Hirsch doesn't hold any shares in the Company directly. Indirectly (via company), Carl Hirsch holds 1 per cent of the votes and 2 per cent of the capital in the Company.

Ulrika Livijn (born 1968) – Member of the Board of Directors

Other relevant assignments: Chairman of the Board of Evisens Securities Services. Board member of Verdane Fund Manager, Stockwik Förvaltning and Treskabinoll Sweden. Acting General Counsel at Alecta. Operates her own consultancy business through Livijn Advisory. Ulrika Livijn holds 0 per cent of the votes and 0 per cent of the capital in the Company directly. Indirectly (via company), Ulrika Livijn holds 0 per cent of the votes and 0 per cent of the capital in the Company.

Johanna Adami (born 1969) – Member of the Board of Directors

Other relevant assignments: President of Sophiahemmet University. Chairman of the Board of S:t Eriks Ögonsjukhus and the Swedish Agency for Health and Care Services Analysis. Board member of Remeo and Konung Gustaf V:s Jubileumsfond. Johanna Adami doesn't hold any shares in the Company directly or indirectly.

Management of the Issuer

The members of the Company's management, their position and other relevant assignments outside the Group (if any) are set forth below. All members of the Company's management can be contacted through the Company's registered address, Tegnérgatan 8, 113 58 Stockholm, Sweden.

Dan T. Sehlberg – Chief Executive Officer

Other relevant assignments: None of significance. Dan T. Sehlberg holds 30 per cent of the votes and 13 per cent of the capital in the Company.

Petter Hallenberg – Chief Operating Officer

Other relevant assignments: None of significance. Petter Hallenberg holds 30 per cent of the votes and 13 per cent of the capital in the Company.

Erik Uhlén - Chief Financial Officer

Other relevant assignments: None of significance. Erik Uhlén holds 6 per cent of the votes and 2 per cent of the capital in the Company.

Board of Directors of the Guarantor

The Guarantor's Board of Directors consists of six (6) ordinary board members, including the chairman. The members of the Board of Directors and their position are set forth below, relevant assignments (if any) and holdings of each board member are set forth in the section "*Board of Directors of the Issuer*" above. All board members can be contacted through the Company's registered address, Tegnérsgatan 8, 113 58 Stockholm, Sweden.

Anders Borg (born 1968) – Chairman of the Board of Directors

Dan T. Sehlberg (born 1969) – Member of the Board of Directors

Ivar Verner (born 1947) – Member of the Board of Directors

Carl Hirsch (born 1950) – Member of the Board of Directors

Ulrika Livijn (born 1968) – Member of the Board of Directors

Johanna Adami (born 1969) – Member of the Board of Directors

Management of the Guarantor

The members of the Guarantor's management and their position are set forth below, relevant assignments (if any) and holdings of each member of management are set forth in the section "*Management of the Issuer*" above. All members of the Guarantor's management can be contacted through the Guarantor's registered address, Tegnérsgatan 8, 113 58 Stockholm, Sweden.

Dan T. Sehlberg – Chief Executive Officer

Petter Hallenberg – Chief Operating Officer

Erik Uhlén – Chief Financial Officer

Corporate Governance

Governance

The Group's corporate governance is aimed at ensuring that the Company and the Group are managed as responsibly, efficiently and sustainably as possible. Furthermore, the purpose of corporate governance is to provide order and systematisation for the board of directors, management and external stakeholders. By establishing a clear structure and efficient processes, the board can ensure that the management and organization focus on developing the company's operations and business in the desired strategic direction. In its decision making and administration, in order to ensure that control over the Company and the Group are not abused, the Company and the Group follow the provisions of applicable law and relevant regulations, entailing, *inter alia*, that the Board of Directors and the shareholders in each company observes the rules regarding corporate governance in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), and that the shareholders exercise their influence through active participation in the decisions made at the shareholder' meeting. Further, each Group Company's Articles of Association are observed.

The Group has further implemented policies to ensure that roles and responsibilities are divided between the respective Group management, Board of Directors and shareholders in accordance with applicable laws and regulations. The Group has *inter alia*, adopted the following policies: the “*Finance Policy*”, the “*Risk Management Policy*”, the “*Codes of conduct*” and the “*Sustainability Policy*”. All instructions and policies are revised annually. Audit and remuneration issues are managed by the relevant Board of Directors by its appointed board members.

There are currently no committees in existence.

Conflict of interest

The Main Shareholders, Dan T. Sehlberg och Petter Hallenberg, are not independent in relation to the Issuer, the Guarantor or management, and not independent in relation to the Issuer’s major shareholders. Dan Sehlberg owns 30 per cent of the votes and 13 per cent of the capital and Petter Hallenberg owns 30 per cent of the votes and 13 of the capital in the Issuer. Thus, the Main Shareholders have financial interests in the Issuer and the Guarantor as a consequence of their holdings of shares in the Issuer.

The Group is not aware of any other conflicts of interests or potential conflicts of interest between the duties of the members of the Board of Directors and the members of management towards the Company or the Guarantor, respectively, and their private interests and/or other duties. However, in addition to the Main Shareholders, several members of the Board of Directors and company management have certain financial interests in the Company and the Guarantor as a consequence of their holdings of shares in the Company.

Furthermore, the Group’s strategy of investing in joint ventures may lead to conflicts of interest (*see Risk factors “Loans to subsidiaries not wholly-owned by the Issuer and other companies where the Issuer, directly or indirectly hold a minority interest”*). This is because a JV Company may be controlled by a majority shareholder which is not, directly or indirectly, wholly owned by the Issuer and whose interests may conflict with those of the Group and the Bondholders, particularly if such JV Company is in difficulty or is unable to pay its debts as they fall due. However, the Group is not currently aware of any such conflicts of interest.

Auditor

The Issuer’s and the Guarantor’s auditor is presently Öhrling PricewaterhouseCoopers AB with authorised auditor Magnus Thorling as the auditor in charge for the Issuer, the Guarantor and each of its Subsidiaries.

Öhrling PricewaterhouseCoopers AB was re-elected as auditor of the Issuer at the annual general meeting held on 25 May 2023, and at the Guarantor’s annual general meeting, held on 28 April 2023, for the time until the end of their annual general meetings 2024.

Magnus Thorling can be contacted at Öhrling PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, Sweden. Magnus Thorling is an authorised auditor and a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

LEGAL AND OTHER INFORMATION

Material agreements

The following is a summary of the material terms of material agreements to which the Issuer and/or the Guarantor is a party and is considered to be outside of the ordinary course of business. The description set out below does not purport to describe all of the applicable terms and conditions of such agreements.

Guarantee and Adherence Agreement

The Guarantee and Adherence Agreement dated 3 April 2024 was entered into between the Issuer, the Guarantor and the Security Agent (acting on its own behalf and on behalf of the Secured Parties) for the purpose of securing the Issuer's obligations under the Finance Documents (each as defined in the Terms & Conditions). Pursuant to the Guarantee and Adherence Agreement, the Guarantor has agreed to, irrevocably and unconditionally, as principal obligor and as for its own debt (Sw. *proprieborgen*) guarantee to each Secured Party the punctual performance by the Issuer of all the Issuer's obligations under the Finance Documents and adhere to certain undertakings under the Terms & Conditions, subject to certain limitations as set out in the Guarantee Agreement and as imposed by any applicable law.

The Guarantee Agreement is governed by Swedish law.

Share Pledge Agreement

The Share Pledge Agreement dated 3 April 2024 was entered into between the Issuer and the Guarantor as pledgors and Nordic Trustee & Agency AB (publ) as Security Agent. Pursuant to the Share Pledge Agreement each pledgor has agreed to irrevocably and unconditionally pledge to the Secured Parties represented by the Security Agent, as a first priority pledge (Sw. *förstahandspant*), its title, right and interest in shares and all related rights in their respective directly owned subsidiaries for the due and punctual fulfilment, discharge and performance of the Secured Obligations (as defined in the Terms & Conditions).

The Share Pledge Agreement is governed by Swedish law.

Material Intra-Group Loans Pledge Agreements

The Material Intra-Group Loans Pledge Agreement dated 3 April 2024 in respect of any existing or future Material Intra-Group Loans granted by the Issuer or the Guarantor was entered into between the Issuer and the Guarantor as pledgors and Nordic Trustee & Agency AB (publ) as Security Agent. Pursuant to the Material Intra-Group Loans Pledge Agreement, each Pledgor has agreed to pledge its present and future title to, and rights under or pursuant to, the intra-group loans for the due and punctual fulfilment, discharge and performance of the Secured Obligations. The Issuer has further entered into a separate material intra-group loans pledge agreement regarding loans granted by the Issuer to the Guarantor.

The Intra-Group Loans Pledge Agreements are governed by Swedish law.

Interest of natural and legal persons involved in the issue

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

Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) has acted as arrangers and joint bookrunners in connection with the Bond Issue. The Joint Bookrunners may in the future provide the Company with financial advice and participate in transactions with the Issuer or other subsidiaries, for which the Joint Bookrunners may receive compensation. All services provided by the Joint Bookrunners, and also those provided in connection with the issue, are provided by the Joint Bookrunners as independent advisor.

Advokatfirman Vinge KB has acted as legal advisor to the Joint Bookrunners and the Issuing Agent in connection with the issue of the Bonds and has no conflict of interest that is material to the issue.

Advokatfirman Vinge KB has acted as legal advisor to the Issuer in connection with the issue and listing of the Bonds and has no conflicting interests with the Company or the Group.

Governmental proceedings, disputes and litigation

During the past twelve (12) months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the past twelve (12) months, a significant effect on the financial position or profitability of the Group.

The Issuer is not aware of any such proceedings which are pending or threatening, and which could lead to the any member of the Group becoming a party to such proceedings.

Credit rating

No credit rating has been assigned to the Issuer or the other Guarantor, or any of their debt securities.

Expected date for listing, market place and costs relating to the listing

The Bonds will be admitted to trading on Nasdaq Stockholm on or around 7 May 2024, for which listing this Prospectus has been prepared. The accrued costs relating to the listing are approximately SEK 200,000.

Documents available for inspection

The following documents are available for review during the period of validity of this Prospectus at the Group's website www.sehlhall.se and the Company's visiting address at Tegnérgatan 8, 113 58 Stockholm, Sweden, during ordinary weekday office hours:

- the Company's and the Guarantor's articles of association as of the date of this Prospectus;
- the certificate of registration of the Company and the Guarantor;
- this Prospectus;
- the Sustainability Bond Framework;
- the Terms and Conditions that stipulates the provisions for the Agent's and the Security Agent's representation of the Bondholders;
- the Guarantee Agreement; and
- the documents listed below, which are incorporated by reference.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus, in addition to this document, comprises of the following financial information which is incorporated by reference and available in electronic format on the Group's website on the following link: [Financial Reports for 2021, 2022 and 2023](#) during the period of validity of this Prospectus:

| Source | Incorporated sections |
|--|---|
| The audited consolidated annual report of the Group for the financial year 2023. | Income statement and comprehensive income p. 40, balance sheet p. 41, cash flow analysis p. 42, the notes p. 48-76 including description of the accounting principles applied p. 48-53, auditor's report p. 78-79 |
| The audited consolidated annual report of the Group for the financial year 2022 | Income statement and comprehensive income p. 42, balance sheet p. 43, cash flow analysis p. 44, the notes p. 50-78 including description of the accounting principles applied p. 50-55, auditor's report p. 80-81 |
| The audited annual report of the Issuer for the financial year 2022 | Income statement and comprehensive income p. 46, balance sheet p. 47, cash flow analysis p. 48, the notes p. 50-78 including the |

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|---|---|
| | description of the accounting principles applied p. 50-55, auditor's report p. 80-81 |
| The audited annual report for the Guarantor for the financial year 2022 | Income statement and comprehensive income p. 3, balance sheet p. 4-5, the notes p. 6-7 including the description of the accounting principles applied p. 6, auditor's report p. 11-12. |
| The audited annual report of the Issuer for the financial year 2021 | Income statement and comprehensive income p. 42, balance sheet p. 43, cash flow analysis p. 44, the notes p. 46-78 including description of the accounting principles applied p. 46-51, auditor's report p. 80-81 |
| The audited annual report for the Guarantor for the financial year 2021 | Income statement and comprehensive income p. 2, balance sheet p. 3-4, the notes p. 5-6 including the description of the accounting principles applied p. 5, auditor's report p. 9-10. |

The audited consolidated annual reports of the Group and the Issuer for the financial years 2022 and 2023 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen* (1995:1554)) (the “**Annual Accounts Act**”) and International Financial Reporting Standards (IFRS) as adopted by the European Union. In addition, the Supplementary Accounting Rules for Groups (RFR 1) of the Swedish Financial Reporting Board have been applied.

The Issuer and the Guarantor's audited annual reports for the financial years 2021 and 2022 have been prepared in accordance with the Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFN) BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

The sections of the above documents that have not been incorporated by reference are either not relevant for investors of the Bonds or have been covered elsewhere in this Prospectus. Information on the Group's website or any other website referred to in this Prospectus which has not been incorporated by reference into this Prospectus does not form part of this Prospectus and has not been reviewed or approved by the competent authority. Further, unless otherwise explicitly stated herein, no information contained in this Prospectus has been audited or reviewed by the Issuer's auditor.

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).

“**Acquired Entity**” has the meaning set forth in paragraph (k) of the definition of “Permitted Debt”.

“**Additional Holding Company**” means each directly wholly-owned Subsidiary of the Issuer and/or Sehlhall Holding, except for the Initial Holding Companies (jointly, the “**Additional Holding Companies**”).

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

“**Advance Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services in the normal course of business with credit periods which are no longer than 90 days after the supply of assets or services or (b) any other trade credit incurred in the ordinary course of business.

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

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

“**Agent**” means Nordic Trustee & Agency AB (publ), corporate identity no. 556882-1879, P.O Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

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

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

“**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.

“**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’ Committee**” means a committee of natural persons appointed by the Bondholders to represent their interests in relation to the Bonds by a decision in accordance with Clause 17.4.3.

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clauses 17.1 (*Request for a decision*), 17.2 (*Convening of Bondholders’ Meeting*) and 17.4 (*Majority, quorum and other provisions*).

“**Bond Issue**” means the issuance of the Bonds.

“**Book Equity**” means (by reference to the consolidated balance sheet of the Group) the sum of (a) restricted equity (Sw. *bundet eget kapital*) and (b) non-restricted equity (Sw. *fritt eget kapital*) (including any minority interest of the Group).

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

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

“**Call Option Amount**” means the amount set out in Clause 10.3 (*Voluntary total redemption (call option)*), as applicable.

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more persons (other than a Main Shareholder) acting together, acquire control over the Issuer and where “**control**” means (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer, 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 Issuer.

“**Compliance Certificate**” has the meaning set forth in Clause 12.1.7.

“**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) an owner of Bonds is directly registered or (b) an owner’s holding of Bonds is registered in the name of a nominee.

“**De-Listing Event**” means:

- (a) following an initial public offering of the ordinary shares of the Issuer, a situation where:
 - (i) the Issuer’s shares listed on the relevant Regulated Market, recognised unregulated market place or MTF cease to be listed on such market; or
 - (ii) trading of the Issuer’s listed ordinary shares on the aforementioned stock exchange(s) is suspended for a period of fifteen (15) consecutive Business Days; or
- (b) once the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

“**Disbursement Date**” means the date of disbursement of the Net Proceeds from the Bond Issue from the Escrow Account pursuant to Clause 5.2.

“**Equity Ratio**” means the ratio of Book Equity to Total Assets calculated in accordance with the Accounting Principles as applicable from time to time.

“**Escrow Account**” means the bank account held by the Issuer with the Escrow Bank for the purpose of the arrangement specified in Clause 5 (*Escrow of proceeds*).

“**Escrow Account Pledge Agreement**” means the agreement for Security over the funds standing to the credit on the Escrow Account, entered into between the Issuer and the Agent.

“**Escrow Bank**” means Skandinaviska Enskilda Banken AB (publ).

“**Event of Default**” means an event or circumstance specified in Clause 15 (*Events of Defaults and acceleration of the Bonds*) (other than Clause 15.12 (*Acceleration of the Bonds*)).

“**Existing Bonds**” means the SEK 250,000,000 senior secured fixed rate bonds issued by Sehlhall Holding with ISIN SE0013745411.

“**Final Maturity Date**” means the date falling three (3) years after the Issue Date (13 March 2027).

“**Finance Documents**” means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Security Documents;
- (d) the Escrow Account Pledge Agreement;
- (e) the Guarantee Agreement;
- (f) any Subordination Agreement; and
- (g) any other document designated by the Issuer and the Agent (on behalf of itself and the Bondholders) as a Finance Document.

“**Finance Lease**” means any finance lease (a lease which is treated as an asset and a corresponding liability) to the extent the arrangement would have been treated as a finance lease in accordance with the accounting principles applied by the Issuer on 4 March 2020.

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

- (a) monies borrowed or raised, including under any bank financing or Market Loans;
- (b) the amount of any liability in respect of 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 or any forward sale) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee, indemnity or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)–(f).

“**Financial Instruments Accounts Act**” means the Swedish 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;
- (b) annual audited unconsolidated financial statements of the Issuer;
- (c) quarterly interim unaudited consolidated financial statements or the year-end report of the Group; or
- (d) quarterly interim unaudited unconsolidated financial statements or the year-end report of the Issuer,

which shall, in each case, be prepared in accordance with the Accounting Principles and made available according to Clause 12.1.1(a)-(b).

“First Call Date” means the date falling eighteen (18) months after the Issue Date.

“Force Majeure Event” has the meaning set forth in Clause 26 (*Force Majeure and limitation of liability*).

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

“Guarantee” means the guarantee provided by the Guarantor under the Guarantee Agreement.

“Guarantee Agreement” means the guarantee and adherence agreement entered into or to be entered into between the Issuer, the Guarantor and the Agent pursuant to which the Guarantor will, subject to applicable laws (including customary corporate benefit and financial assistance restrictions), adhere to certain undertakings under these Terms and Conditions and irrevocably and unconditionally as principal obligor, guarantee to the Agent and the Bondholders (represented by the Agent), the punctual performance of the Secured Obligations.

“Guarantor” means Sehlhall Holding.

“Initial Holding Companies” means:

- (a) Sehlhall Holding;
- (b) Sehlhall Produktion AB (corporate identity no. 559202-4086);
- (c) Sehlhall Management AB (corporate identity no. 559199-5310);
- (d) Sehlhall Vårdbostäder Holding AB (corporate identity no. 559168-2678);
- (e) Sehlhall Gruppbestäder Holding AB (corporate identity no. 556863-8018);
- (f) Sehlhall skolfastigheter AB (corporate identity no. 559202-4664); and
- (g) Stadsbyggnadsbolaget i Sverige Holding AB (corporate identity no. 559199-0600),

each an **“Initial Holding Company”**.

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (Sw. *lag (2022:964) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 9.1 to 9.3.

“**Interest Payment Date**” means 13 March, 13 June, 13 September and 13 December 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 13 June 2024 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (a) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (b) 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).

“**Interest Rate**” means the Base Rate plus the Margin as adjusted by any application of Clause 19 (*Replacement of Base Rate*). For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

“**Issue Date**” means 13 March 2024.

“**Issuer**” means Sehlhall Fastigheter AB (publ), a public limited liability company incorporated under the laws of Sweden with corporate identity no. 559114-3481.

“**Issuing Agent**” means, initially, Swedbank AB (publ) (corporate identity no. 502017-7753) and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**Listing Failure Event**” means that the Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) days after the Issue Date (although the Issuer has the intention to have the Bonds admitted to trading within thirty (30) days from the Issue Date).

“**Main Shareholder**” means Dan Sehlberg and Petter Hallenberg.

“**Maintenance Test**” means the test of the financial maintenance covenant as set out in Clause 13.1 (*Maintenance covenants*).

“**Margin**” means 8.00 per cent. *per annum*.

“**Market Loans**” means any loan or other indebtedness where an entity issues commercial papers, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on a Regulated Market, a MTF or an organised trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments).

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

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Issuer’s ability or willingness to perform and comply with its obligations under the Terms and Conditions; or
- (c) the validity or enforceability of the Terms and Conditions or the effectiveness or ranking of any Transaction Security.

“**Material Intra-Group Loan**” means any intra-group loan provided by the Issuer or Sehlhall Holding to any of their Subsidiaries where:

- (a) the term is at least twelve (12) months; and
- (b) the principal amount exceeds SEK 10,000,000 when aggregated with all other intra-group loans between the Issuer or Sehlhall Holding and the relevant Subsidiary.

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

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm Aktiebolag (corporate identity no. 556420-8394).

“**Net Proceeds**” means the gross proceeds from the offering of the Bonds, minus the costs incurred by the Issuer in conjunction with the issuance thereof.

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

“**Permitted Debt**” means any Financial Indebtedness:

- (a) incurred under the Finance Documents;
- (b) incurred under the Existing Bonds until repaid in full in accordance with Clause 3 (*Use of proceeds*);
- (c) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (d) under any guarantee issued by a Group Company or pursuant to a counterindemnity provided to a bank, a contractor, a municipality or other third party provider of a guarantee, in each case incurred in the ordinary course of

business or for the benefit of or in respect of the obligations of, a Group Company and/or any Project Entity;

- (e) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purpose;
- (f) incurred under Advance Purchase Agreements;
- (g) arising under deferred payment arrangements in relation to the cost of acquisition of any assets including in the form of vendor loans or earn-outs to the extent constituting Financial Indebtedness;
- (h) incurred under any Subordinated Debt;
- (i) taken up from a Group Company (including any cash pool arrangements);
- (j) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds;
- (k) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity (an “**Acquired Entity**”) holds Financial Indebtedness (but not created in the contemplation of its acquisition), provided that (i) no Event of Default is outstanding or would occur from such incurrence and (ii) the Secured Loan to Value (if any) of such Acquired Entity does not exceed seventy-five (75.00) per cent. after the acquisition;
- (l) incurred by a Project Entity under any Project Facility, provided that (i) no Event of Default is outstanding or would occur from such incurrence and (ii) the Secured Loan to Value (if any) of such Project Entity does not exceed seventy-five (75.00) per cent;
- (m) of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business; and
- (n) any other Financial Indebtedness incurred by Group Companies not in aggregate exceeding SEK 5,000,000.

“**Permitted Security**” means any Security:

- (a) provided under the Finance Documents;
- (b) provided in respect of the Existing Bonds until repaid in full in accordance with Clause 3 (*Use of proceeds*);
- (c) arising by operation of law or in the ordinary course of business and not as a result of any default or omission by any Group Company (including collateral or retention of title arrangements in connection with Advance Purchase Agreements

but, for the avoidance of doubt, not including Security in respect of any monies borrowed or raised);

- (d) arising under any netting or set off arrangements under (i) non-speculative hedging transactions entered into in the ordinary course of business and which is permitted pursuant to paragraph (c) or (e) of the definition of “Permitted Debt” or (ii) bank account arrangements, including group cash pool arrangements;
- (e) provided by an entity acquired by a Group Company, provided that the Financial Indebtedness secured with such Security constitutes Permitted Debt in accordance with paragraph (k) of the definition of Permitted Debt, and, if applicable, following a repayment of such Financial Indebtedness, that the Security is released immediately after such repayment;
- (f) provided pursuant to items (k) and (l) of the definition of Permitted Debt but not consisting of Security over any asset which constitutes Transaction Security;
- (g) any Security provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of the Bonds in full are intended to be received, provided that such refinancing constitutes Permitted Debt pursuant to paragraph (j) of the definition of Permitted Debt; and
- (h) not covered under paragraphs (a)-(g) above, securing an aggregate maximum amount of SEK 5,000,000 but not consisting of Security over any other asset which constitutes Transaction Security.

“**Project**” means (a) the acquisition of a real estate or a real property company, (b) a construction and development of a real estate or (c) other activities relating to (a) and (b) in the ordinary course of business of the Group.

“**Project Entity**” means any Subsidiary of the Issuer, joint-venture company, associated company (Sw. *intressebolag*), housing co-operative (Sw. *bostadsrättsförening*), partnership company (Sw. *kommanditbolag*), trading company (Sw. *handelsbolag*), economic association (Sw. *ekonomisk förening*) or any other legal entity where the Group holds, or in case of a housing co-operative holds or have held, ownership or financial interest and which owns or manages Projects.

“**Project Facility**” means any Financial Indebtedness incurred by a Project Entity for the purpose of financing or refinancing a Project or part of a Project.

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

“**Record Date**” means the fifth (5) Business Day prior to (a) an Interest Payment Date, (b) a Redemption Date, (c) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of proceeds*), (d) the date of a Bondholders’ Meeting or (e) 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 10 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December.

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

“**Secured Loan to Value**” means, in respect of an Acquired Entity or a Project Entity (as applicable), the ratio of:

- (a) the aggregate amount of secured Financial Indebtedness of the Acquired Entity (and its Subsidiaries) or the Project Entity (and its Subsidiaries) (as applicable); to
- (b) the aggregate amount of the market value of the properties (Sw. *fastigheter*) owned by such Acquired Entity (and any of its Subsidiaries) or Project Entity (and any of its Subsidiaries),

and where “**market value**” means the market value set out in a valuation of the relevant property, prepared and issued by an independent and reputable appraiser within twelve (12) months from the incurrence of the Financial Indebtedness referred to in paragraph (k) or (l) in the definition of “Permitted Debt”

“**Secured Obligations**” means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by the Issuer to the Secured Parties outstanding from time to time under the Finance Documents.

“**Secured Parties**” means the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement).

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

“**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.

“**Security Documents**” means the security documents pursuant to which the Transaction Security is purported to be created and any other document designated as a Security Document by the Issuer and the Agent.

“**Sehlhall Holding**” means Sehlhall Holding AB (publ), corporate identity no. 559239-8993.

“**Special Mandatory Redemption**” has the meaning set forth in Clause 5.3.

“**STIBOR**” means:

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

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

- (a) is subordinated to the obligations of the Issuer under the Finance Documents pursuant to a Subordination Agreement;
- (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,

in each case save for payment which is permitted under Clause 14.2.

“**Subordination Agreement**” means any subordination agreement entered into between, amongst others, the Issuer, the Agent and any creditor providing Subordinated Debt.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), in respect of which such person, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) exercises control as determined in accordance with Accounting Principles.

“**Sustainability Bond Framework**” means the Issuer’s sustainability bond framework, as it is worded on the Issue Date.

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

“**Total Assets**” means the consolidated aggregate 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 Security**” means the Security provided for the Secured Obligations pursuant to the Security Documents in respect of:

- (a) all shares in each Initial Holding Company;
- (b) all shares or participations in any Additional Holding Company provided pursuant to Clause 14.18 (*Security over Additional Holding Companies*);
- (c) all present and future Material Intra-Group Loans including Security over any new Material Intra-Group Loans provided pursuant to Clause 14.17 (*Additional Security over new Material Intra-Group Loans*), in each case provided that Security over any Material Intra-Group Loans granted to any Subsidiary (other than Sehlhall Holding) shall not be perfected until an acceleration of the Bonds in accordance with Clause 15.12 (*Acceleration of the Bonds*); and
- (d) the Escrow Account.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 17.1 (*Request for a decision*), 17.3 (*Instigation of Written Procedure*) and 17.4 (*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, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

- 1.2.2 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 SEK 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 SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 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.
- 1.2.5 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.
- 1.2.6 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 SEK 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 Bond is SEK 1,250,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Bonds as at the Issue Date is SEK 200,000,000. All Bonds are issued on a fully paid basis at an issue price of 98.50 per cent. of the Nominal Amount.
- 2.4 The minimum permissible investment in the Bond Issue is SEK 1,250,000.
- 2.5 The Bonds constitute direct, general, unconditional, unsubordinated and secured 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. The Bonds are secured as described in Clause 11 (*Transaction Security and Guarantee*) and as further specified in the Security Documents.
- 2.6 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.

- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3 Use of proceeds

The Issuer shall use an amount equal to the Net Proceeds of the Bonds in accordance with the Sustainability Bond Framework, including to refinance the Existing Bonds.

4 Conditions Precedent and Conditions Subsequent

4.1 Conditions precedent to the Issue Date

- 4.1.1 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 by the Agent), each document and other evidence listed in Part I (*Conditions precedent to the Issue Date*) of Schedule 1 (*Conditions Precedent and Conditions Subsequent*) in the form and substance satisfactory to the Agent.

- 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 fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The Issue Date shall not occur (a) unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. two (2) Business Days prior to the Issue Date (or later, if the Issuing Agent so agrees), or (b) if the Issuing Agent, the Issuer and the CSD agree to postpone the Issue Date.

4.2 Settlement and disbursement

Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.1.2, the Issuing Agent shall settle the issuance of the Bonds and pay the Net Proceeds into the Escrow Account on the Issue Date.

4.3 Conditions Subsequent

The Issuer shall provide to the Agent, no later than one (1) Business Day following disbursement from the Escrow Account pursuant to Clause 5 (*Escrow of proceeds*), each document and other evidence listed in Part III (*Conditions Subsequent*) of Schedule 1 (*Conditions Precedent and Conditions Subsequent*) in the form and substance satisfactory to the Agent.

5 Escrow of proceeds

- 5.1 The Net Proceeds from the Bonds shall be paid by the Issuing Agent into the Escrow Account. The funds standing to the credit on the Escrow Account form part of the Transaction Security.
- 5.2 The Agent shall instruct the Escrow Bank to transfer the funds standing to the credit on the Escrow Account to be applied in accordance with Clause 3 (*Use of proceeds*) and release the Security over the Escrow Account when the Agent is satisfied that the conditions set out in Part II (*Conditions precedent for disbursement from the Escrow Account*) of Schedule 1 (*Conditions Precedent and Conditions Subsequent*) have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)).
- 5.3 If the Agent determines that it has not received the conditions precedent set out in Part II (*Conditions precedent for disbursement from the Escrow Account*) of Schedule 1 (*Conditions Precedent and Conditions Subsequent*) on or before the Business Day falling 60 days after the Issue Date and the Agent has not amended or waived such conditions in accordance with Clause 18 (*Amendments and waivers*), the Issuer shall redeem all, but not some only, of the outstanding Bonds in full at an amount per Bond equal to one hundred (100.00) per cent. of the Nominal Amount, together with accrued but unpaid Interest (a “**Special Mandatory Redemption**”). The Agent may use the whole or any part of the amounts standing to the credit on the Escrow Account to fund a Special Mandatory Redemption. Any shortfall shall be covered by the Issuer.
- 5.4 A Special Mandatory Redemption shall be made by the Issuer giving notice to the Bondholders and the Agent promptly following the date when the Special Mandatory Redemption is triggered pursuant to Clause 5.3. The Issuer shall redeem the Bonds in full at the applicable amount on a date specified in the notice from the Issuer, such date to fall no later than ten (10) Business Days after the effective date of the notice. The notice shall specify the Record Date for the redemption.

6 Bonds in book-entry form

- 6.1 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.
- 6.2 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.

- 6.3 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.
- 6.4 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.
- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 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.

7 Right to act on behalf of a Bondholder

- 7.1 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.
- 7.2 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.
- 7.3 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 7.2 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.
- 7.4 The Bondholders may in accordance with Clause 17.4.3 appoint a Bondholders' Committee to represent their interests in relation to the Bonds and in accordance with Clause 17.4.4 delegate powers to such Bondholders' Committee. The Bondholders' Committee represents all Bondholders and exercises such delegated powers on behalf of all Bondholders.
- 7.5 The Bondholders' Committee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it or any member thereof under or in connection with any Finance Document, unless directly caused by a breach of the powers delegated to it or by gross negligence or wilful misconduct.

- 7.6 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.

8 Payments in respect of the Bonds

- 8.1 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.
- 8.2 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. If an income account has not been registered on the Record Date for the payment, no payment will be effected by the CSD to such Bondholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Bondholder on the relevant Record Date has made a valid request for such amount. 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.
- 8.3 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 without any default interest in accordance with Clause 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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).
- 8.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

9 Interest

- 9.1 Each Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 9.2 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.

- 9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 9.4 If the Issuer fails to pay any amount payable by it under the Finance Documents 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) percentage points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each person who was a Bondholder on the Record Date for the original due date. 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.

10 Redemption and repurchase of the Bonds

10.1 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.

10.2 Purchase of Bonds by Group Companies

- 10.2.1 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.
- 10.2.2 Bonds held by a Group Company (including Bonds repurchased by the Issuer pursuant to Clause 10.5 (*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. Bonds held by the Issuer may not be cancelled by the Issuer (except in connection with a redemption or repurchase of the Bonds in full).

10.3 Voluntary total redemption (call option)

- 10.3.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full:
- (a) any time from (and including) the Issue Date to (but excluding) the First Call Date, at an amount per Bond equal to:
 - (i) 104.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest; plus
 - (ii) the remaining interest payments to (and including) the First Call Date (calculated in accordance with Clause 10.3.3);
 - (b) any time from (and including) the First Call Date to (but excluding) the first Business Day falling twenty-four (24) months after the Issue Date, at an amount

per Bond equal to 104.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- (c) any time from (and including) the first Business Day twenty-four (24) months after the Issue Date to (but excluding) the first Business Day falling thirty (30) months after the Issue Date, at an amount per Bond equal to 102.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (d) any time from (and including) the first Business Day falling thirty (30) months after the Issue Date to (but excluding) the first Business Day falling thirty-three (33) months after the Issue Date, at an amount per Bond equal to 101.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (e) any time from (and including) the first Business Day falling thirty-three (33) months after the Issue Date to (but excluding) the Final Maturity Date, at an amount per Bond equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

10.3.2 Redemption in accordance with Clause 10.3.1 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.

10.3.3 For the purpose of calculating the remaining interest payments pursuant to Clause 10.3.1(a), it shall be assumed that the Interest Rate for the period from the relevant Record Date to (but excluding) the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is sent to the Bondholders in accordance with Clause 10.3.2. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.

10.4 Early redemption due to illegality (call option)

10.4.1 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 date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

10.4.2 The applicability of Clause 10.4.1 shall be supported by a legal opinion issued by a reputable law firm.

10.4.3 The Issuer shall give notice the Bondholders and the Agent of any redemption pursuant to Clause 10.4.1 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 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.

- 10.4.4 A notice of redemption in accordance with Clause 10.4.1 is irrevocable and, on the Redemption Date specified in such notice, the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

- 10.5.1 Upon the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) days following 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 12.1.5 (after which time period such rights lapse). 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.

- 10.5.2 The notice from the Issuer pursuant to Clause 12.1.5 shall specify the period during which the right pursuant to Clause 10.5.1 may be exercised and the repurchase 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, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.1.5. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.5.1.

- 10.5.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.5 by virtue of the conflict.

- 10.5.4 No repurchase of Bonds pursuant to this Clause 10.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 10.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

11 Transaction Security and Guarantee

- 11.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants and shall procure that the relevant Group Companies grant, no later than one (1) Business Day following disbursement from the Escrow Account pursuant to

Clause 5 (*Escrow of proceeds*), the Transaction Security to the Secured Parties as represented by the Agent. The Transaction Security shall be provided and perfected pursuant to, and subject to the terms of, the Security Documents (in each case provided that Security over any Material Intra-Group Loans granted to any Subsidiary (other than Sehlhall Holding) shall not be perfected until an acceleration of the Bonds in accordance with Clause 15.12 (*Acceleration of the Bonds*)) entered into or to be entered into between the Issuer and the other relevant Group Companies and the Agent, acting on behalf of the Secured Parties. The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.

- 11.2 The Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.
- 11.3 The Issuer shall procure that the Guarantor enters into the Guarantee Agreement no later than one (1) Business Day after the disbursement from the Escrow Account pursuant to Clause 5 (*Escrow of proceeds*). The Guarantor shall irrevocably and unconditionally, subject to applicable laws (including customary corporate benefit and financial assistance restrictions), as principal obligor (Sw. *proprieborgen*), guarantee to the Agent and the Bondholders (represented by the Agent) the punctual performance of the Secured Obligations in accordance with and subject to the Guarantee Agreement. The Agent shall hold the Guarantee on behalf of the Secured Parties in accordance with the Guarantee Agreement.
- 11.4 Unless and until the Agent has received instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security or the Guarantee, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security or the Guarantee, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.
- 11.5 For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD and from which payments under the Bonds are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 11.5.
- 11.6 In addition to Clause 5.2, the Agent shall be entitled to release all Transaction Security when it is satisfied of the full discharge of all Secured Obligations Written confirmations or excerpts from the CSD system issued by the CSD to the Issuer and/or the Agent

showing that the Bonds have been repaid in full shall be deemed sufficient evidence (in each case provided that the Agent does not have actual knowledge to the contrary).

12 Information to Bondholders

12.1 Information from the Issuer

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

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year:
 - (i) the annual audited consolidated financial statements of the Group for that financial year; and
 - (ii) the annual audited unconsolidated financial statements of the Issuer for that financial year,

in each case including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;

- (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:
 - (i) the interim consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group for that financial quarter; and
 - (ii) the interim unconsolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Issuer for that financial quarter,

in each case including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and

- (c) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading (as applicable).

12.1.2 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 12.1.1(b).

12.1.3 When the financial statements and other information are made available to the Bondholders pursuant to Clause 12.1.1, the Issuer shall send copies of such financial statements and other information to the Agent.

12.1.4 The Issuer shall make available a report of the use of proceeds of the Bonds in accordance with the Sustainability Bond Framework to the Agent and on its website in connection with the publication of the annual audited consolidated financial statements of the Group, beginning with the financial statements for the financial year of 2024.

12.1.5 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 and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. 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.

12.1.6 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. 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.

12.1.7 The Issuer shall:

- (a) on the earlier of when the financial statements pursuant to Clause 12.1.1 (i) are made available or (ii) should have been made available; and
- (b) 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 Schedule 2 (*Form of Compliance Certificate*), (“**Compliance Certificate**”) signed by the Issuer and containing:

- (i) if delivered pursuant to paragraph (a) above, (A) a confirmation that no Event of Default has occurred or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) (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 as per the last day of the quarter to which the Compliance Certificate refers (and has not been breached since the last day of the relevant quarter to which the most recent Compliance Certificate refers), attaching any figures in respect of the basis on which it has been calculated; and
- (ii) if delivered pursuant to paragraph (b) above, a confirmation that no Event of Default has occurred or would result from the expiry of a grace period,

the giving of a notice, the making of any determination (or any combination of the foregoing) (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.

12.1.8 The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to Clause 12.1.7 above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.

12.1.9 The Issuer is only obliged to inform the Agent according to this Clause 12.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are admitted to trading, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 12.1.

12.2 Information from the Agent and a Bondholders' Committee

12.2.1 Subject to the restrictions of a non-disclosure agreement entered into in accordance with Clause 12.2.2, 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 Clauses 15.12.3 and 15.12.4).

12.2.2 A Bondholders' Committee may agree with the Issuer not to disclose information received from the Issuer. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the Bondholders' Committee.

12.3 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 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).

12.4 Publication of Finance Documents

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

- 12.4.2 The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

13 Financial undertakings

13.1 Maintenance covenants

The Maintenance Test is met if, at any time:

- (a) the Equity Ratio exceeds thirty (30.00) per cent.; and
- (b) the aggregate amount of cash and cash equivalents of the Group is not less than the equivalent amount of the two (2) scheduled upcoming interest payments under the Bonds.

13.2 Testing of the maintenance covenants

- 13.2.1 The Maintenance Test shall be calculated in accordance with the Accounting Principles applicable to the Group and tested by reference to the most recent Financial Report on each Reference Date and shall be reported in the Compliance Certificate delivered in connection with such Financial Report. The first test date shall be on 30 June 2024.

13.3 Equity Cure

- 13.3.1 If there is a breach under the Maintenance Test no Event of Default will occur as a result thereof if, within thirty (30) Business Days of the delivery of the relevant Compliance Certificate evidencing that breach, the Issuer has received equity injection in cash in the form of a share issue, an unconditional shareholder contribution or provision of Subordinated Debt in an amount sufficient to ensure compliance with the Maintenance Test (a "**Cure Investment**"), as the relevant Reference Date (the "**Cure Amount**").
- 13.3.2 The calculation of the Equity Ratio shall be adjusted so that the Book Equity as per the relevant test date is increased with an amount equal to the Cure Amount.
- 13.3.3 Any equity cure in accordance with the above (an "**Equity Cure**") must be made in the form of a Cure Investment and no more than three (3) Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

14 General undertakings

14.1 General

The Issuer undertakes to (and shall, where applicable, procure that each Group Company will) comply with the undertakings set out in this Clause 14 for as long as any Bonds remain outstanding.

14.2 Distributions

The Issuer shall not, and shall procure that none of its Subsidiaries will:

- (a) pay any dividend on shares;
- (b) repurchase any of its own shares;
- (c) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders;
- (d) repay principal or pay interest under any Subordinated Debt; or
- (e) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*), items (a)–(e) above are together and individually referred to as a “**Restricted Payment**”.

Notwithstanding the above, a Restricted Payment may be made (in each case provided that such Restricted Payment is permitted by law and that no Event of Default is continuing or would result from such Restricted Payment) if such Restricted Payment is made:

- (a) by any Group Company (except for the Issuer) to another Group Company, and, if made by a Group Company which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or
- (b) by the Issuer, if such Restricted Payment is in respect of Subordinated Debt and the payment is made by way of set-off against subscription of new shares in the Issuer.

14.3 Nature of business

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

14.4 Holding company

The Issuer shall not trade, carry on any business, own any assets or incur any liabilities except for:

- (a) the provision of administrative services to other members of the Group or of a type customarily provided by a holding company to its Subsidiaries;
- (b) liabilities incurred under any guarantee issued by the Issuer or pursuant to a counterindemnity provided to a bank, a contractor, a municipality or other third party provider of a guarantee, in each case incurred in the ordinary course of business or for the benefit of or in respect of the obligations of, a Group Company and/or any Project Entity; and
- (c) any liabilities under the Finance Documents to which it is a party, any Subordinated Debt and professional fees and administration costs in the ordinary course of business as a holding company.

14.5 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries, will incur, prolong, renew or extend any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur, prolong, renew or extend Financial Indebtedness that constitutes Permitted Debt.

14.6 Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, provide, prolong or renew any Security over any of its assets (present or future), other than any Permitted Security.

14.7 Disposals of assets

(a) The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto):

- (i) is carried out at fair market value and on arm's length terms; and
- (ii) it does not have a Material Adverse Effect,

in each case provided that no asset that is subject to Transaction Security may be disposed of.

(b) Subject to applicable regulations, the Issuer shall upon request by the Agent provide the Agent with any information relating to the transaction, which the Agent deems necessary (acting reasonably).

14.8 Admission to trading

The Issuer shall ensure that the Bonds are admitted to trading (*Sw. upptagna till handel*) on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market, within twelve (12) months from the Issue Date.

14.9 Insurance

The Issuer shall procure that the Group's properties are insured to an extent which is customary for similar properties on the Swedish market with one or more reputable insurers. The insurance cover shall, among other things, include full value insurance and third-party liability insurances to the extent possible.

14.10 Maintenance of properties

The Issuer shall, and shall procure that each other Group Company will, keep the Group's properties in a good state of repair and maintenance, subject to normal wear and tear and in accordance with normal market practice, and in such repair and condition as will enable the Issuer and each other Group Company owning a property to comply in all material respects with the obligations under relevant rental agreements and in accordance all applicable laws and regulations.

14.11 Environmental

The Issuer shall, and shall ensure that each Group Company will, comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

14.12 Dealings with related parties

The Issuer shall, and shall procure that its Subsidiaries will, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is another Group Company) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

14.13 Pari Passu ranking

The Issuer shall ensure that its payment obligations under the Finance Documents at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.

14.14 Compliance with law

The Issuer shall, and shall procure that the other Group Companies:

- (a) comply in all material respects with all laws and regulations applicable 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 applicable); and
- (b) obtain, maintain, and in all respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company where the failure to do so would have a Material Adverse Effect.

14.15 Maintenance Test

The Issuer shall ensure that the Maintenance Test is met as per the last day of each calendar quarter occurring for as long as any Bond is outstanding.

14.16 Sustainability Bond Framework

The Issuer shall maintain a Sustainability Bond Framework, which shall at all times be published on the Issuer's webpage (including the second opinion issued for the purpose of such framework) and shall ensure that an amount equivalent to the proceeds from any Bonds are applied in accordance with the Sustainability Bond Framework.

14.17 Additional Security over new Material Intra-Group Loans

The Issuer shall, and shall procure that Sehlhall Holding will (as applicable), no later than sixty (60) Business Days upon granting a Material Intra-Group Loan, grant a pledge over that Material Intra-Group Loan as Security (subject to customary financial assistance and corporate benefit limitations) for the Secured Obligations and simultaneously therewith deliver to the Agent (unless previously provided):

- (a) constitutional documents and corporate resolutions (approving the relevant Security Document and authorising a signatory/-ies to execute the relevant Security Document) for the relevant security provider, and each other party to that Security Document (other than the Agent);
- (b) a legal opinion on the capacity and due execution, in respect of any entity being party to the relevant Security Document unless it is incorporated in Sweden, issued by a reputable law firm; and
- (c) any legal opinion on the validity and enforceability in respect of the relevant Security Document unless it is governed by Swedish law which, if requested by the Agent, shall also include customary opinions regarding the role of the Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm,

provided that Security over any Material Intra-Group Loans granted to any Subsidiary (other than Sehlhall Holding) shall not be perfected until an acceleration of the Bonds in accordance with Clause 15.12 (*Acceleration of the Bonds*).

14.18 Security over Additional Holding Companies

The Issuer shall, no later than sixty (60) Business Days upon the establishment or acquisition of an Additional Holding Company, provide the Agent with the following documents and evidence:

- (a) copy of the Security Document in respect of all shares or participations in the Additional Holding Company, duly executed by the Issuer and/or Sehlhall Holding, and evidence that the documents, notices and other evidences to be delivered pursuant to such Security Document have been delivered and satisfied;
- (b) constitutional documents and corporate resolutions (approving the Security Document and authorising a signatory/-ies to execute the Security Document referred to under paragraph (a) above) for the Issuer and/or Sehlhall Holding; and
- (c) any legal opinion on the validity and enforceability in respect of the Security Document referred to in paragraph (a) above, unless it is governed by Swedish law

which, if requested by the Agent, shall also include customary opinions regarding the role of the Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

14.19 Undertakings relating to the Agency Agreement

- (a) The Issuer shall, in accordance with the Agency Agreement:
 - (i) pay fees to the Agent;
 - (ii) indemnify the Agent for costs, losses and liabilities;
 - (iii) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
 - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- (b) 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.

14.20 CSD related undertakings

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

15 Events of Defaults and acceleration of the Bonds

Each of the events and circumstances set out in this Clause 15 (other than Clause 15.12 (*Acceleration of the Bonds*)) is an Event of Default.

15.1 Non-payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date.

15.2 Escrow of proceeds and conditions subsequent

The Issuer does not comply with:

- (a) the provisions of Clause 5 (*Escrow of proceeds*); or
- (b) the undertaking to provide to the Agent the conditions subsequent listed in Part III (*Conditions Subsequent*) of Schedule 1 (*Conditions Precedent and Conditions Subsequent*) pursuant to Clause 4.3 (*Conditions Subsequent*).

15.3 Maintenance Test

The Issuer does not comply with the Maintenance Test (subject to an Equity Cure (as defined in Clause 13.3 (*Equity Cure*))).

15.4 Other obligations

The Issuer or any other Group Company 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 Clauses 15.1 (*Non-payment*), 15.2 (*Escrow of proceeds and conditions subsequent*) or 15.3 (*Maintenance Test*)), unless the non-compliance:

- (a) is capable of remedy; and
- (b) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the relevant Group Company becoming aware of the non-compliance.

Notwithstanding the above, any failure to comply with the undertaking set out in Clauses 3 (*Use of proceeds*), 12.1.4, 14.16 (*Sustainability Bond Framework*) and/or with the terms of the Sustainability Bond Framework itself shall not constitute an Event of Default under any circumstance.

15.5 Cross-acceleration

- (a) 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); or
- (b) any security interest securing Financial Indebtedness over any assets of a Group Company is enforced,

provided however that the amount of Financial Indebtedness referred to under item (a) and/or (b) above, individually or in the aggregate exceeds an amount corresponding to SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

15.6 Insolvency

- (a) Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under the Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company.

15.7 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 thirty (30) days is taken in relation to:

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

15.8 Mergers and demergers

- (e) A decision is made that any Group Company shall be merged or demerged into a company which is not a Group Company, unless such merger or demerger constitutes a permitted disposal of assets pursuant to Clause 14.7 (*Disposals of assets*); or
- (f) the Issuer is subject to (i) a merger with any other person, with the effect that the Issuer is not the surviving entity or which otherwise has or is reasonably likely to have a Material Adverse Effect, or (ii) a demerger.

15.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 5,000,000 and is not discharged within 60 days.

15.10 Impossibility or illegality

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

15.11 Continuation of the business

Any Group Company ceases to carry on its business (except if due to (a) a permitted merger or demerger as stipulated in Clause 15.8 (*Mergers and demergers*) or (b) a permitted disposal as stipulated in Clause 14.7 (*Disposals of assets*)), provided it has a Material Adverse Effect.

15.12 Acceleration of the Bonds

- 15.12.1 If an Event of Default has occurred and for as long as it is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50.00) 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 15.12.5, 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.
- 15.12.2 The Agent may not accelerate the Bonds in accordance with Clause 15.12.1 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).
- 15.12.3 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 15.12.4 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.
- 15.12.4 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 17 (*Decisions by Bondholders*).
- 15.12.5 If the Bondholders (in accordance with these Terms and Conditions) 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.
- 15.12.6 If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under any law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 15.12.7 In the event of an acceleration of the Bonds in accordance with this Clause 15.12, the Issuer shall redeem all Bonds at an amount per Bond equal to the Call Option Amount, as applicable considering when the acceleration occurs and shall for the period before the First Call Date be the amount set out in Clause 10.3.1(b).

- 15.12.8 The Issuer shall on demand by a Bondholders' Committee reimburse all costs and expenses reasonably incurred by it for the purpose of investigating or considering an Event of Default and the Bondholders' potential actions in relation to such Event of Default.

16 Distribution of proceeds

- 16.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 15 (*Events of Defaults and acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantee 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, (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure;
- (b) secondly, in or towards payment *pro rata* of any cost and expenses reasonably incurred by a Bondholders' Committee in accordance with Clause 15.12.8 that have not been reimbursed by the Issuer, together with default interest in accordance with Clause 9.4 on any such amount calculated from the date it was due to be reimbursed by the Issuer;
- (c) thirdly, 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);
- (d) fourthly, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (e) fifthly, 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 9.4 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 (e) above shall be paid to the Issuer or the other relevant Group Company (as applicable).

- 16.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1(a).
- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate 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 16 as soon as reasonably practicable.

- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, 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. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 10.3.2 shall apply.

17 Decisions by Bondholders

17.1 Request for a decision

- 17.1.1 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.

- 17.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) 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 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.

- 17.1.3 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.

- 17.1.4 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.

- 17.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.1.3 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 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.

- 17.1.6 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17.2 (*Convening of Bondholders' Meeting*) or instigate a Written Procedure by sending communication in accordance with Clause 17.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 20.4.3, 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 17.2. 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.
- 17.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 17.1.5 or 17.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

17.2 Convening of Bondholders' Meeting

- 17.2.1 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).
- 17.2.2 The notice pursuant to Clause 17.2.1 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.

17.2.3 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.

17.2.4 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.

17.3 Instigation of Written Procedure

17.3.1 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).

17.3.2 A communication pursuant to Clause 17.3.1 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 17.3.1);
- (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.

17.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 17.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 17.4.2 and 17.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.4.2 or 17.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

- 17.3.4 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).

17.4 Majority, quorum and other provisions

- 17.4.1 Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 17.2.2, in respect of a Bondholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 17.3.2, 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.

- 17.4.2 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 17.3.2:

- (c) a change to the terms of any of Clauses 2.1 and 2.5;
- (d) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 10 (*Redemption and repurchase of the Bonds*);
- (e) a change to the Interest Rate (other than as a result of an application of Clause 19 (*Replacement of Base Rate*)) or the Nominal Amount;
- (f) a change to the terms for the distribution of proceeds set out in Clause 16 (*Distribution of proceeds*);
- (g) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 17.4 (*Majority, quorum and other provisions*);
- (h) 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;
- (i) a release of the Transaction Security or the Guarantee, except in accordance with the terms of the Finance Documents;
- (j) a mandatory exchange of the Bonds for other securities; and

- (k) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 15 (*Events of Defaults and acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- 17.4.3 Any matter not covered by Clause 17.4.2 shall require the consent of Bondholders representing more than fifty (50.00) 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 17.3.2. 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 18.1(a) or (c)), an acceleration of the Bonds, the appointment of a Bondholders' Committee, or the enforcement of any Transaction Security or the Guarantee.
- 17.4.4 The Bondholders may delegate such powers to a Bondholders' Committee as the Bondholders may exercise pursuant to Clauses 17.4.2 and 17.4.3. The delegation shall require the same majority and quorum as the subject matter would have required pursuant to Clause 17.4.2 or Clause 17.4.3, as the case may be. Any decisions made by the Bondholders' Committee pursuant to such delegation shall be approved by more than (50.00) per cent. of the members of the Bondholders' Committee.
- 17.4.5 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.4.2, and otherwise twenty (20.00) 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 17.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 17.4.6 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.
- 17.4.7 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 17.2.1) or initiate a second Written Procedure (in accordance with Clause 17.3.1), 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 17.4.7, the date of request of the second Bondholders' Meeting pursuant to Clause 17.2.1 or second Written Procedure pursuant to Clause 17.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 17.4.5 shall not apply to such second Bondholders' Meeting or Written Procedure.

- 17.4.8 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.
- 17.4.9 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.
- 17.4.10 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) 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 (such time period to be no less than ten (10) Business Days).
- 17.4.11 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.
- 17.4.12 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.
- 17.4.13 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) any Affiliate of any Group Company 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 of a Group Company.
- 17.4.14 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Group 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.

18 Amendments and waivers

- 18.1 The Issuer, any other relevant Group Company 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;
- (d) has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders; or
- (e) is made pursuant to Clause 19 (*Replacement of Base Rate*).

18.2 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 12.4 (*Publication of Finance Documents*). 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 18.1(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.

18.3 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.

19 Replacement of Base Rate

19.1 General

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

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

19.2 Definitions

In this Clause 19:

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

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or

- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

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

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

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

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

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

“**Relevant Nominating Body**” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or thirdly any working group or committee of any of them, or the Financial Stability Council (*Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means:

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

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

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

- 19.3.1 Without prejudice to Clause 19.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 19.3.2.
- 19.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating, and finally deciding the applicable Base Rate.
- 19.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 19.3.2, the Bondholders shall, if so decided at a Bondholders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 19.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 19.3 to 19.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer’s cooperation.
- 19.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a

Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice (“**Base Rate Amendments**”).

- 19.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

19.4 Interim measures

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

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

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

19.5 Notices etc.

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

19.6 Variation upon replacement of Base Rate

- 19.6.1 No later than giving the Agent notice pursuant to Clause 19.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 19.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 19. The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Bondholders.
- 19.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 19.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 19.
- 19.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 19. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

19.7 Limitation of liability for the Independent Adviser

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

20 The Agent

20.1 Appointment of the Agent

- 20.1.1 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 (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer, any legal or arbitration

proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security of the Guarantee 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.

- 20.1.2 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.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Agent

- 20.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security and the Guarantee pursuant to the Security Documents and the Guarantee Agreement (as applicable) on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and the Guarantee on behalf of the Bondholders. The Agent shall provide reasonable assistance to a Bondholders' Committee and participate in its meetings.
- 20.2.2 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.
- 20.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 20.2.4 The Agent shall treat all 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.

- 20.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the 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.
- 20.2.6 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 18.1 are fulfilled).
- 20.2.7 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 16 (*Distribution of proceeds*).
- 20.2.8 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.
- 20.2.9 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (a) whether any Event of Default has occurred, (b) the financial condition of the Issuer and the Group, (c) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (d) 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.
- 20.2.10 The Agent shall (a) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 12.1.7 and Schedule 2 (*Form of Compliance Certificate*) and as otherwise agreed between the Issuer and the Agent, and (b) verify that the Issuer according to its reporting in the Compliance Certificate meets the Maintenance Test 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 20.2.10.

- 20.2.11 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 20.2.11. 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.
- 20.2.12 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.
- 20.2.13 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.
- 20.2.14 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 20.2.13.

20.3 Liability for the Agent

- 20.3.1 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.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the 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.

20.3.4 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.

20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

20.4 Replacement of the Agent

20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the 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.

20.4.2 Subject to Clause 20.4.6, 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.

20.4.3 A Bondholder (or Bondholders) representing at least ten (10.00) 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.

20.4.4 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.

20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

20.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of:

- (a) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent; and
- (b) the period pursuant to Clause 20.4.4 having lapsed.

20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the 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.

20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21 The Issuing Agent

21.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

21.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Bonds.

21.3 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.

22 The CSD

22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.

- 22.2 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.

23 No direct actions by Bondholders

- 23.1 A Bondholder may not take any steps whatsoever against any Group Company or with respect to the Transaction Security or the Guarantee 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 any Group Company in relation to any of the obligations and liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the 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 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.14 before a Bondholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 10.5 (*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.

24 Prescription

- 24.1 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.

- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the 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.

25 Notices and press releases

25.1 Notices

- 25.1.1 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 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 the Business Day 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 Group and the Agent.
- 25.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective:
- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1;
 - (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1; or
 - (c) in case of email, when received in readable form by the email recipient.
- 25.1.3 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.

25.1.4 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.

25.2 Press releases

25.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 5.4, 10.3 (*Voluntary total redemption (call option)*), 10.4 (*Early redemption due to illegality (call option)*), 12.1.5, 17.2.1, 17.3.1, 17.4.14, 18.2 and 19.5 shall also be published by way of press release by the Issuer.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds or the Group 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.

26 Force Majeure and limitation of liability

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

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

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

27 Governing law and jurisdiction

27.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

27.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

ADDRESSES

Issuer

Sehlhall Fastigheter AB (publ)
Tegnérsgatan 8
SE-113 58 Stockholm
Sweden
www.sehlhall.se

Legal Advisor to the Issuer

Advokatfirman Vinge KB
Smålandsgatan 20
P.O. Box 1703
SE-111 87 Stockholm
Sweden
www.vinge.se

Issuing Agent

Swedbank AB (publ)
Brunkebergstorg 8
SE-105 34 Stockholm
Sweden

Agent

Nordic Trustee & Agency AB (publ)
Norrländsgatan 23
P.O. Box 7329,
SE-111 43 Stockholm,
Sweden
www.nordictrustee.com

Central Securities Depository

Euroclear Sweden AB
Klarabergsviadukten 63,
P.O. Box 191,
SE-101 23 Stockholm,
Sweden
www.euroclear.com

Joint Bookrunners

Swedbank AB (publ)
Brunkebergstorg 8
SE-105 34 Stockholm
Sweden

Skandinaviska Enskilda Banken AB (publ)

Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden