

This prospectus was approved by the Swedish Financial Supervision Authority on 13 November 2019.

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STENDÖRREN

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**STENDÖRREN FASTIGHETER AB (PUBL)**

**Prospectus regarding admission to trading of**

**SEK 800,000,000  
SUBORDINATED PERPETUAL FLOATING RATE CALLABLE  
CAPITAL SECURITIES**

**ISIN: SE0013042413**

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**Joint Bookrunners**



**Nordea**



## Important information

In this prospectus, the “**Issuer**” means Stendörren Fastigheter AB (publ). The “**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”). The “**Joint Bookrunners**” means Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp and Swedbank AB (publ) (jointly the “**Joint Bookrunners**”).

Words and expressions defined in the Terms and Conditions beginning on page 30 have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated otherwise follow from the context.

### Notice to investors

The Issuer issued a total of 640 subordinated perpetual floating rate callable capital securities (the “**Initial Capital Securities**”) in the Total Nominal Amount of SEK 800,000,000 on 18 September 2019 (the “**Settlement Date**”) and may also issue subsequent capital securities (the “**Subsequent Capital Securities**”) and together with the Initial Capital Securities, the “**Capital Securities**”) up to an aggregate Nominal Amount of SEK 1,500,000,000, unless a consent from the Holders is obtained, pursuant to the Terms and Conditions. This Prospectus has been prepared for solely for the admission to trading of the Initial Capital Securities on Nasdaq Stockholm or another regulated market. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Capital Securities.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) pursuant to Article 20 in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete.

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

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

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

### Forward-looking statements and market data

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

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

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

### Presentation of financial information

This Prospectus contains the Issuer’s consolidated historical financial statements for 2017 and 2018 and the interim report for January-June 2019, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the EU and the consolidated historical financial statements for 2017 and 2018 have been audited by the Issuer’s auditor. Certain financial and other information presented in this Prospectus has been rounded off for the purpose of making this Prospectus more easily accessible for the reader. As a result, the figures in tables may not tally with the stated totals.

With the exception of the Issuer’s consolidated historical financial statements for 2017 and 2018, no information in this Prospectus has been audited or reviewed by the Issuer’s auditor. Financial data in this Prospectus that have not been audited by the Issuer’s auditor stem from internal accounting and reporting systems.

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## RISK FACTORS

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*In this section, material risk factors are illustrated and discussed, including the Issuer's economic and market risks, business risks, legal and regulatory risks, as well as structural risks relating to the Capital Securities, risks relating to the Capital Securities and risks related to debt instrument such as the Capital Securities. The Issuer's assessment of the materiality of each risk factor is based on its assessment of the probability of their occurrence and the expected magnitude of their negative impact. 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 and 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. The most material risk factors in a category is presented first under that category, the assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact is disclosed by rating the relevant risk as low, medium or high. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.*

### Risks relating to the Issuer

#### Economic and market risks

##### **Market value risk**

The Issuer is operating within the real estate business and owned, as of 31 December 2018, 121 properties with a rentable space of 718,000 square meters. The value of the property portfolio totalled SEK 8,476 million and the rental income totalled SEK 537 million. The market value of the Issuer's Properties and its rental income is to a large extent affected by macroeconomic factors such as the general economic trend, regional economic development, employment rate development, production rate of new premises, changes of infrastructure, inflation and interest rates. A negative development of the economy would have a material adverse effect on supply and demand on the real estate market and accordingly affect vacancy and rental rates for the Properties. An increased vacancy rate for the Properties would, as a consequence, have a negative impact on the Issuer's financial position as increased vacancy rates will result in higher costs for the Issuer.

Expectations regarding inflation also affect the interest rate and therefore affect the Issuer's net financial income. In addition, changes in the interest rate and inflation also affect the markets yield requirements and thus the market value of the Properties. The market value of the Properties will also be affected, positively or negatively, by the general investment climate on the relevant investment market. The investment climate relevant for the Issuer will, among other things, be heavily influenced by the risk sentiment among investors, access to capital and the relative investment yield that can be expected from other, competing investment alternatives.

Negative changes in macroeconomic factors such as the risks described above will, if the risks materialises, affect the value of the Issuer's properties, the vacancy rate and the rental level of the Issuer's Properties and as a result, its rental and net financial income.

Risk rating: High

##### **Interest rate risk**

Interest rate risk is the risk that changes in interest rates affect the Group's interest expense. For example, other than equity, the Group's operations are mainly financed by loans from credit institutions. Interest expenses are therefore one of the Group's main cost items and an increase in interest rates would lead to higher financing costs since the Issuer's level of debt creates an exposure to interest rate risk, where an increase in the STIBOR rate would lead to higher financing costs.

For example, as per the end of 2018 an interest sensitivity test indicated that, if there would be an increase in STIBOR amounting to 0.5 per cent., such change would have an impact of approximately SEK 20 million in increased interest expenses (before taxes) for the Group on a yearly basis, and if STIBOR would increase with 2.0 per cent., the Group's interest expenses (before taxes) would increase with SEK 99 million on a yearly basis. Through the CPI-indexation of all rental contracts, there is a natural hedge against high inflation and thus increasing interest rates.

According to the Issuer's finance policy, between 40 per cent. and 70 per cent. of all interest bearing liabilities should always be hedged through interest derivatives or fixed rate contracts. For example, the Group has entered into interest rate swap agreements with respect to credit agreements with floating interest rates. The derivatives constitute a hedging against higher interest rates, but this also implies that the market value of the Group's

interest rate derivatives decreases if the market interest rates decrease, which in turn has a negative impact on the Issuer's financial position and result. In certain cases, the Group has also entered into credit agreements providing for an interest rate floor. The consequence of these provisions is, for example, that the Group will be unable to in full benefit a negative 3-months STIBOR rate.

If the risks materialise and there would be an increase in the STIBOR rate, this increase will affect the Issuer's interest expenses and net financial income.

Risk rating: Medium

### ***Rental income and rental development***

Rental income is the Issuer's main source of income. The rental income is affected by the vacancies of the Properties, contracted rental rates and the tenants paying their rents on time. Rental rates are affected by, inter alia, the supply and demand on the market and the level of the market rental rates. Increased vacancies and/or decreased rental rates will negatively affect the Issuer's earnings. For example, the Group's total rental income amounted to SEK 537 million for the financial year 2018 and a potential decrease in the Group's total rental income of 10 per cent., due to fluctuations in vacancies could therefore have a material negative impact on the Group's total earnings, corresponding to the decrease in rental income.

The risk of fluctuations in vacancies increases with more single large tenants. For example, the ten largest tenants as of 30 June 2019 accounted for approximately one fifth (1/5) of the total contracted rental income. There is a risk that the Issuer's larger tenants do not renew or extend their lease agreements upon expiry and that the Issuer does not find new tenants, which in the long term could lead to a decrease in rental income and an increase in vacancies. For example, the largest tenant, being Coop Sverige, accounted for approximately ten (10) per cent., of the total contracted rental income as of 30 June 2019. If Coop Sverige does not renew or extend its lease agreement it could result in a material decrease in the Issuer's rental income, which would have a negative impact on the Issuer's total rental income and hence the Issuer's earnings.

Even if the Issuer deems the likelihood of a material decrease in rental income as described above to be relatively low, if any of these risks materialise, it may have a material negative impact on the Group's total rental income and hence adversely affect the Issuer's earnings and financial position.

Risk rating: Medium

### ***Geographical risks***

The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within geographical markets. The Issuer's Properties are located in the Greater Stockholm area (*Storstockholm*) and Mälaren Valley (*Mälardalen*).

The demand for commercial premises of the type that the Issuer invests in is however positively impacted by the long term growth of the Greater Stockholm region. The market supply of premises for light industrial-, warehouse and logistics use has for many years been lagging behind the demand for such space whereby the effective market rent has been climbing steadily. Given that the average lease term in the Group's portfolio of properties is approximately 4 years, approximately 20-25 per cent. of all leases will come up for renewal in each of the coming 4 years. When these leases come up for renewal they will be on average 3-7 years old thus implying that there is a substantial catch-up of rental increase that can be expected. For the full year 2018, the rental contracts that were renewed and extended resulted in an average rental increase of 14 per cent.

If the demand for premises to lease declines in the Greater Stockholm region and Mälardalen, it could adversely affect the Issuer's business in that market, which in turn would have an effect of the Issuer's earnings and financial position since the Greater Stockholm region is the Issuer's main market.

Risk rating: Medium

## **Risks relating to the Issuer's business**

### ***Property transactions***

The Issuer's Property portfolios may vary over time and acquisition and sale of additional Properties and Property owning companies are an important part of the Issuer's and the Group's ordinary business. The Group acquired Properties for SEK 1,715 million and sold Properties for SEK 365 million during the financial year of 2018. Inefficiencies in connection with the Issuer's Property transactions may lead to attractive Properties or Property owning companies being disposed of whereas less attractive Properties or Property owning companies may be acquired, which could lead to a decrease in the market value of the Issuer's Property portfolios. The

disposal of Properties within the Group could also, due to the value of the specific Properties, have a significant negative effect on the Issuer's cash flow, if such Properties are sold at a too low price. For example, if the Properties are sold to a lower price than expected or if the market value of the Properties decreases, this could have a negative effect on the Issuer's earnings and financial position.

The Issuer's acquisitions and divestments of Properties, are associated with risks and uncertainties. When the Issuer is acquiring real estate there is always uncertainty in relation to future loss of tenants, potential environmental impact from activities carried out on the Property as well as decisions from authorities. For example, the Issuer always conduct thorough investigation before an acquisition agreement is signed whereby any technical deficiencies, environmental contamination (ongoing or historic), financial issues in a company that is to be acquired or any other matter that could have a negative impact on the value of the acquired property (or property owning company). There is however always a risk that the Issuer's investigation does not uncover all the potential issues and problems, whereby the Issuer could be negatively affected if an unexpected issue arise after the acquisition of the Property.

When acquiring real estate companies, there are risks relating to, inter alia, tax, environmental issues and disputes. In real estate transactions such as the transactions the Issuer participates in, the seller usually leaves guarantees regarding, for example, environmental risks and the validity of lease agreements. In transactions with real estate companies such as the Issuer, it is also generally guaranteed that no tax disputes or other legal disputes exist. Certain warranties may be unlimited, such as tax warranties, which could imply warranty claims towards the Issuer on significant amounts, even to the extent that the claim exceeds the value of the underlying property object.

Furthermore, as the Group has and is continually acquiring companies, the Group is exposed to integration risks due to the high number of acquisitions of new companies. The integration risks for the Group could, for example consist of increased merging costs, organisational costs, risks related to the inability to retain key personnel and unexpected costs related to management of new tenants. Such increased costs could negatively affect the Group's operations and in turn the performance of the Issuer under the Capital Securities. For example, the Issuer's costs relating to the Properties increased during the financial year of 2018 with 33 per cent. to SEK 182 million, of which 50 per cent. of such costs are incurred in relation to Properties acquired under 2018.

Risk rating: High

### ***Risks relating to development and renovating projects***

Developing new Properties as well as renovating existing Properties or acquiring vacant Properties involves risks for the Issuer, such as miscalculations of customer demand leading to unsold premises, unleased premises, lower profitability for the project and undesired tied-up capital on the balance sheet of the Issuer. When developing new Property or renovating existing Properties, there is a risk that the Issuer is unable to lease vacant Properties it has acquired or that such development or renovation turns out less profitable than expected, or that premises remain unsold and the Issuer has undesired tied-up capital on the balance sheet, which could have a negative effect on the Issuer's earnings and financial position.

For example, during 2018 the Issuer's invested SEK 296 million in development, renovations and tenant improvements in their Properties. If the costs for developing or renovating Properties requires more capital than expected by the Issuer, or if there should be any delays in the projects, there is a risk that the planned developments or renovations have to be suspended or reduced, which could lead to increased costs for the Issuer, which in turn would have a negative impact on the Issuer's business and hence a negative effect on the Issuer's results of operation.

Risk rating: High

### ***Risks relating to local plans and permits for new construction and re-construction***

Property development projects (including new construction, re-construction of buildings or change of use) is subject to zoning plans, permits and decisions from authorities unless such are already in place. Such permits and decisions may not always be granted when expected or at all, which can cause delays, increased costs and even jeopardise project realisation. Further, modified municipal planning may lead to local plans not being approved when expected or at all, causing delays and increased costs pertaining to necessary restructuring of the project. If necessary permits or approvals are not obtained when expected or at all, this could, for example, cause delays, increase costs or even jeopardise the project's realisation, which in turn could have a negative effect on the Issuer's earnings and financial position.

For example, the Issuer owns in excess of 120 Properties and as a part of the active management of the property portfolio there are approximately 10 properties where there is an ongoing process to update or change the existing zoning plan to fit the business plan for those properties.

Even though the Issuer deems the likelihood for a material change in the principles for granting permits for new construction and re-construction to be low, a change in the current principles for granting such permits significantly may affect the Issuer's ability to pursue with its business.

Risk rating: High

### ***Dependency on members of management and other key personnel***

The knowledge, experience and commitment of the Issuer's employees are important for the Issuer's future development. For example, the Issuer is highly dependent on a number of key persons such as the members of the management team, which all have important knowledge about the Issuer's business and operations. Should the key persons decide to leave the Issuer, it could impact the future development of the Issuer as new members of the management team lack the experience from the Issuer's business compared to the current members of the management team. Furthermore, if the Issuer is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Issuer at reasonable compensation levels, it may have a negative impact on the Issuer's costs and therefore as a result, affect the Issuer's operations and financial position.

Risk rating: Medium

### ***Environmental risks***

Property management, which is a part of the Issuer's business, includes environmental risks. According to Swedish legislation, the party that has conducted operations which have caused contamination is responsible for remediation of the contaminated property. If such party is not able to carry out or pay for the remediation of a contaminated property, the party who acquired the property and was aware of the contamination at the time of acquisition or ought to have detected it then shall be liable for remediation. If claims for remediation regarding any of the Properties should be put forward to the Group, this may have a negative effect on the Issuer's earnings and financial position.

For example, out of the 121 properties and land leases owned by the Issuer, there is one property with a documented environmental contamination. When acquired in 2016 the investigation concluded that the environmental liability could be set at SEK 5 million for this contamination (which is fully reserved in the balance sheet of the Issuer).

Furthermore, changed laws, regulations and requirements from authorities in the environmental area could result in increased costs for the Issuer with respect to sanitation or remediation regarding currently held or future acquired properties, as well as increased costs for carrying out planned real estate development, both of which may have a negative effect on the Issuer's earnings and financial position.

As of 31 December 2018, 71 per cent. of the Issuer's lettable area consisted of light industrial and logistics properties. As the Issuer's business operations therefore mainly consists of owning and managing light industrial and logistics properties in which the tenants are conducting business, the risk for environmental issues could be higher than compared to other types of commercial properties.

Risk rating: Medium

### ***Competition***

The Issuer operates in a competitive industry. For example, the Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. The Issuer's two major types of competitors are other real estate management companies within the real estate business with the same business focus as the Issuer, and real estate developers which are mainly focusing on leasing new-built properties directly to customers instead of selling them to companies as the Issuer.

It may become necessary for the Group to make significant investments, restructuring operations or price reductions in order to adapt to new competition. For example, the Group's competitors may have greater resources and capabilities than the Issuer to better withstand downturns in the market, compete more effectively, retain skilled personnel and react faster to changes in local markets.

Financially strong competitors may use price reductions with the purpose of quickly gaining market shares or to establish themselves on the market. If such competitors decides to enter into the markets of larger Stockholm

(*Storstockholm*) and the Mälardalen region (*Mälardalen*) where the Issuer's Properties are located, this could lead to a decline in the demand for the Issuer's Properties. Although the Issuer deems the likelihood of the establishment of such financially strong competitor which establishment on the abovementioned markets could adversely affect the demand for the Issuer's Properties and hence weaken the Issuer's position in the markets to be low, if the risk described above materialise it would have a material negative impact on the Issuer's earnings and financial position.

Further, if the Group has to make significant investments, restructurings or price reductions due to increased competition, such changes may have a negative effect on the Issuer's business, which in turn might affect the financial position negatively.

Risk rating: Medium

### ***Reputational risk***

The Issuer is dependent on its good reputation. The Issuer's reputation is important from many different aspects. It is for example important in relation to new and current tenants. As an example, operative problems or maintenance problems could damage the Issuer's reputation, which in turn could lead to difficulties obtaining new or keeping current tenants. The Issuer's reputation is also important in relation to banks, bond investors and other sources of capital as well as in relation to recruitment of key personnel. Furthermore, damage to the Issuer's reputation could lead to loss of income or loss of growth potential, which in turn may have a negative effect on the Issuer's business and its position at the real estate market.

Risk rating: Medium

### ***Disputes and litigation***

The Issuer faces the risk of litigation and other proceedings in relation to its business. For example, the Issuer focuses on owning and managing light industrial and logistics properties. As a result, the tenants are mainly conducting business in the Issuer's Properties. If there would be a stoppage in the tenant's operating activities due to the Property's technical design or standard, this could result in a claim for damages from the tenant, which, if the described risk materialises, could affect the Issuer's earnings and financial position.

The outcome of any litigation may expose the Issuer to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Issuer's reputation may be impacted in a way which adversely affects its future earnings and its possibility to reach out to new tenants in the future.

Risk rating: Medium

### ***Holding company risks***

The Issuer is a holding company and the Group's operations are mainly run through its subsidiaries. The Issuer is hence dependent on its subsidiaries to be able to fulfil its obligations under the Capital Securities. For example, the Group intends to provide the Issuer with liquidity by way of intra-group loans, dividends or other transfers of value in order for the Issuer to fulfil its obligations under the Capital Securities. However, if the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Capital Securities.

Even if the Issuer deems the likelihood of a negative cash flow in the Issuer due to the fact that its subsidiaries have not provided the Issuer with liquidity to be low, every Investor shall be aware that their investment is dependent not solely on the Issuer's earnings, but also the subsidiaries earnings.

Risk rating: Low

### ***Risks relating to inadequate insurance***

The Group has insured its operations against usual losses and/or potential liability in relation to third party claims. Certain types of losses and/or damages are generally not covered by insurance policies due to such losses being considered as impossible to insure, for example losses resulting from the act of war, terrorism, professional liability or personal liability (the latter two where damages are caused by negligence, wilful misconduct or criminal acts). Further, most of the Issuer's insurances (i.e. the insured amounts) are limited by specified maximum amounts per claim, series of injuries and the specified insurance periods. Also, if a tenant is revoking its lease agreement due to a damage to the leased property, there is a risk that the Issuer's insurance policies are



not covering the lost rental income. In the event that a loss is not covered or only partially covered by the Issuer's insurance policies or that an incurred loss exceeds the maximum amount covered by the relevant insurance policy, or upon the occurrence of consequential loss, this may have a material negative effect on the earnings and financial position due to increased costs as a consequence of such loss.

Risk rating: Low

## **Financial risks related to the Issuer**

### ***Refinancing risk***

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Capital Securities or other debt owed by the Issuer or the Group falls due and/or needs to be refinanced. This could in turn affect the Issuer's and/or the Group's liquidity and consequently affect the possibility to repay debt as it falls due.

The Issuer's business is partly financed by externally provided capital. The bulk of the required capital for financing of both development of existing Properties and future acquisitions is and will be provided by banks, credit institutions or other lenders. As of 30 June 2019, the Group's net indebtedness amounted to SEK 5,393 million, of which SEK 1,360 million will be due within twelve months.

During the financial crisis, the volatility and the disruptions in the financial and credit markets were substantial, with reduction in liquidity and higher credit risk premiums for many credit institutions. Although the turmoil in the market has ceased due to central banks' quantitative easing programs and amended regulations from agencies, there is still an element of uncertainty and volatility. If the Issuer cannot refinance itself or only may refinance itself at much higher costs, this could have a negative effect on the Issuer's business, earnings and financial position.

If the Issuer is unable to refinance existing financial indebtedness on the relevant due dates it may lead to its creditors taking action against it, for example by initiating court proceedings or filing for bankruptcy for the Issuer, which in turn would have a negative impact on the Issuer's business and financial position.

Risk rating: High

### ***Liquidity risk***

Liquidity risk is the risk that the liquid assets of the Issuer are not sufficient to meet its payment obligations at the relevant maturity date or that the Issuer cannot issue new securities at a fair price. The Issuer is dependent on available liquidity in order to fulfil its obligations, making investments and paying interest and amortisation costs related to its financing. As the payment obligations under the current liabilities in general is covered by the Issuer's cash flow, or the issue of new securities, there is a risk that the Issuer does not have sufficient liquidity to meet the payment obligations if the cash flow is negatively affected by, for example, the results of the property transactions (as described above). If the Issuer does not have sufficient liquidity to fulfil its obligations, this could have a negative effect on the Issuer's results and hence affect the Issuer's financial position.

Risk rating: High

### ***Changes in value of Properties***

The Issuer's Properties are reported at fair value (*verkligt värde*) in the balance sheet and with changes in value in the profit and loss account. Different factors, for example changes in cash flow or the markets profitability requirements, could have a material effect on the value of the Properties, which may cause the Issuer to record a write down of the fair value of the affected Properties. A possible result of such write down is that it would adversely affect the Issuer's earnings and financial position.

Furthermore, factors affecting the reported fair value of the Properties could both be Property specific, such as rent levels, occupancy ratio and operative expenses, and market specific, such as market yield requirements, macroeconomic effects, general economic trends, growth, unemployment levels, the rate of production of new premises, population growth, inflation and interest rates.

If the value of the Properties decreases, causing the Issuer to write down their value, it could result in a number of consequences, such as a breach of the covenants of the loans owed by the Group from time to time, which in turn could result in such loans being accelerated prior to maturity. For example, an increase or decrease in the net operating income (*driftnetto*) of +2.5 per cent., would, as of 31 December 2018, affect the estimated market value of the Properties with by approximately +/- SEK 212 million.

Furthermore, a material decrease of the market value of the Properties would also have a negative impact on the Issuer's possibilities to dispose of its Properties without incurring losses, which in turn may have a negative effect on the Issuer's earnings and financial position. For example, an increase or decrease of the markets yield requirements of 0.5 per cent., would, as of 31 December 2018, result in a decrease in the value of the Properties with SEK 775 million, and an increase in the value of the Properties amounting to SEK 948 million.

If any of these risks materialise, it may have a material negative effect on the Issuer's income statement and hence a material negative effect on the Issuer's earnings, which in turn could have a negative impact on the Issuer's financial position.

Risk rating: High

### ***Covenants in credit agreements***

If the Group is in breach of any of its covenants (e.g. financial covenants) in its loan agreements, it could lead to loans being accelerated which means that they fall due for payment prior to their specified maturity. If the Group is unable to repay such loan following an acceleration it may further give the creditor under such loan the right to enforce security granted for such loan. Such breach could adversely affect the Issuer's business, earnings and financial position.

Furthermore, the financial covenants could have consequences for the Issuer in relation to its ability to obtain additional financing in the longer term, including its ability to refinance its bank borrowings on comparable terms. Also, in the event of a downturn in revenue, the Issuer's leverage could have a disproportionately adverse effect on its profitability. Even though the Issuer deems the likelihood of the described risks to materialises to be low, if the risks materialises this could affect the Issuer's ability to seize business opportunities in the future which in turn could have a negative effect on the Issuer's business and future development.

Risk rating: Medium

## **Legal and regulatory risks relating to the Issuer**

### ***New or amended legislation***

The Issuer's business is regulated by and must be conducted in accordance with several laws and regulations, (inter alia the Swedish Companies Act (*aktiebolagslagen (2005:551)*), the Swedish Land Code (*Jordabalken (1970:994)*), the Swedish Environmental Code (*Miljöbalken (1998:808)*) and the Swedish Planning and Building Act (*Plan- och bygglagen (2010:900)*), but also for example detailed development plans, building standards and security regulations, and there is a risk that the Issuer's interpretation of applicable laws and regulations may be incorrect or may change in the future.

New legislation or regulations or changes regarding the application of existing legislation or regulations, regarding for example building permits or other matters applicable to the Group's operations or its clients or the Capital Securities, may adversely affect the Issuer's business, possibly with retroactive effect.

Risk rating: Medium

### ***Taxation risks***

During the financial year of 2018, Stendörren's total tax costs amounted to SEK 69 million and the effective tax rate was 14.1 per cent. In the event that the historical tax position would be challenged this could lead to additional tax costs for the Group should the tax risk not be covered by the guarantees provided in the share purchase agreements entered into in connection with the Issuer's property transactions. This is especially important in relation to the Issuer, since the Issuer's business normally contains substantial element of property transactions as described above. The value of the guarantees provided in the share purchase agreements is also dependent on the financial position of the sellers.

In the event that the Issuer's interpretation of tax laws or their applicability is incorrect, or if a governmental authority successfully makes negative tax adjustments or changes its interpretations in relation thereto, the Issuer's past or current tax positions may be challenged. A challenged tax position could result in an increased tax cost, which could have a negative impact on the Issuer's business, earnings and financial position.

Since the laws, treaties and other regulations on taxation, as well as other financial charges, have historically been subject to frequent changes, further changes are expected in the future, possibly with a retroactive effect. A change in the current tax legislation resulting in increased property tax or reduced possibilities for interest deductions would result in the Group facing an increased tax burden which could affect the Issuer's earnings and financial position.

For example, in 30 in March 2017, a committee proposal was submitted to the Swedish Government on certain issues within the real estate and stamp duty area. The main proposal aims at ensuring that the tax consequences of an indirect sale of real estate (through the sale of the shares in the company that owns the real estate) to the greatest extent possible correspond to those arising from direct sale of the same real estate. At the time of this Prospectus it is unclear to what extent it will result in new legislation.

Risk rating: Medium

### **Accounting risks**

The International Accounting Standards Board (“IASB”) published the discussion paper “*Financial Instruments with Characteristics of Equity*” in June 2018 (the “**Discussion Paper**”). The Discussion Paper sets out the IASB’s preferred approach to classification of a financial instrument such as the Capital Securities, from the perspective of an issuer, as a financial liability or an equity instrument. The changes to the accounting standards addressed in the Discussion Paper would, if implemented, most likely lead to financial instruments such as the Capital Securities being classified as financial liabilities rather than equity as per the current accounting standards. The IASB will during Q4 2019 decide on the direction of the project regarding the potential changes to the accounting standard. Hence, at the time of this Prospectus it is unclear to what extent the proposals in the Discussion Paper will result in changes to the accounting standard.

If the changes to the accounting standard proposed in the Discussion Paper would be implemented as currently proposed in the Discussion Paper, it would most likely lead to the Capital Securities being classified as financial liabilities of the Issuer which in turn would have a negative impact on the Issuer’s financial position. Further, such change of accounting standards most likely lead to the occurrence of an Accounting Event (see further under the heading “*Redemption of the Capital Securities*” below).

Risk rating: Medium

## **Risks relating to the Capital Securities**

### **Risk relating to the nature of the Capital Securities**

#### ***The Capital Securities are subordinated to most of the Issuer’s liabilities***

The Capital Securities are intended to constitute deeply subordinated debt obligations of the Issuer. This means that if the Issuer is subject to any dissolution, winding-up, liquidation, restructuring (*företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings, the Holders normally receive payment after all other creditors have been paid in full. If the Issuer is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors of all Subordinated Indebtedness) in full before it can make any payments on the Capital Securities. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Capital Securities.

In the event of an Issuer Winding-up or an Issuer Re-construction, the rights of the Holders to receive payments in respect of the Capital Securities will rank *pari passu* among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities, but junior to any present or future claims in respect of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.

In the event of an Issuer Re-construction, unsecured debt could be subject to a mandatory write-down provided that a qualified majority of the unsecured creditors has approved such write-down. There is a risk that claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction. Consequently, there is a significant risk that the Capital Securities be, partly or completely, written-off, resulting in Holders not recovering its investment in Capital Securities upon an Issuer Re-construction and, thereby, presents a significant risk for the Holders.

In the event of a shortfall of funds on an Issuer Winding-up or Issuer Re-construction, there is a real risk that an investor in the Capital Securities will lose all or most of its investment and will not receive any return of the principal amount or any accrued and unpaid interest (including any Deferred Interest). By virtue of such subordination, payments to a Holder will, in the events described in the relevant Terms and Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied. A Holder may therefore recover less than the Holders of unsubordinated or other subordinated liabilities of the Issuer that are senior to the Capital Securities.

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

Risk rating: High

***Holders of the Capital Securities have very limited rights in relation to the enforcement of payments on the Capital Securities***

The Holders' rights of enforcement in respect of payments under the Capital Securities are subject to significant limitations. If a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, the rights of the Holders in respect of the Capital Securities are limited to instituting proceedings for an Issuer Winding-up, and the Holders may prove and/or claim in respect of the Capital Securities in an Issuer Winding-up.

The Holders shall not be entitled to accelerate payments of interest or principal under the Capital Securities in any circumstances outside an Issuer Winding-up which, present a risk that the Holders does not recover their investments in the Capital Securities.

Furthermore, whilst the Holder may institute other proceedings against the Issuer to enforce the terms of the Capital Securities, the Issuer shall not, by virtue of such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Accordingly, the Holders' rights of enforcement in respect of payments under the Capital Securities are very limited, thus presenting a significant risk for a single Holder.

Risk rating: High

***The Capital Securities have no maturity date***

The Capital Securities are perpetual meaning that the Capital Securities have no specified maturity date. The Issuer is not obliged to redeem the Capital Securities at any time and Holders have no option to redeem the Capital Securities at any time. The Issuer may only redeem the Capital Securities in the circumstances described in Clause 11 (*Redemption and repurchase of the Capital Securities*) of the Terms and Conditions.

Any potential investor should be aware that it may be required to bear financial risks of the investment in the Capital Securities for a long period of time and may not recover their investment before a redemption of the Capital Securities (if any) at the discretion of the Issuer (in particular if there is no active trading on the secondary market). Each potential investor should therefore be aware that there is a risk that it may lose the whole, or parts of, its investment in the event the Issuer chooses to not redeem the Capital Securities.

Risk rating: Medium

***The Issuer may defer interest payments***

The Issuer may, at any time and in its sole discretion (except on an Interest Payment Date on which the Capital Securities are to be redeemed), elect to defer payment of all (but not some only) of the interest which would otherwise be paid on any Interest Payment Date. If interest is deferred in accordance with the Terms and Conditions, the Issuer has no obligation to make such payment on the relevant Interest Payment Date and any such non-payment of interest does not constitute a default or any other breach of obligations under the Capital Securities.

Any actual or anticipated deferral of interest payments will be likely to have an adverse effect on the market price of the Capital Securities. In addition, as a result of such interest deferral provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial position.

Risk rating: Medium

***Redemption of the Capital Securities***

Upon the occurrence of an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event the Issuer may redeem the Capital Securities in whole, but not some only, at any time together with any Deferred Interest and any accrued and unpaid interest

If the Capital Securities are redeemed Holders are entitled the right to receive a redemption amount, which may exceed the nominal amount of the Capital Securities. There is a risk that the market value of the Capital Securities is higher than the amount received at redemption and that it may not be possible for Holders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Capital Securities and may only be able to do so at a significantly lower rate. Accordingly, this presents a significant risk for a single Holder.

Risk rating: Low

### **Other risks relating to the capital securities**

#### ***European Benchmarks Regulation***

In order to ensure the reliability of reference rates (such as STIBOR), legislative action at EU level has been taken. Hence, the so-called Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indexes used as reference values for financial instruments and financial agreements or for measuring investment fund results and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) were added and entered into force on 1 January 2018. The Benchmark Regulation regulates the provision of reference values, reporting of data bases for reference values and use of reference values within the EU. Since the Benchmark Regulation has only been applied for a short period of time, the effects of it so far are difficult to assess. However, there are future risks that the Benchmark Regulation affects how certain reference rates are determined and how they are developed. This in conjunction with increased administrative requirements is likely to lead to a reduced number of entities involved in the determination of reference rates, which, in such case, would lead to a certain reference interest ceasing to be published. If this is the case for STIBOR, and e.g. the relevant fall-back solution evident from the Terms and Conditions should not work properly or negatively for either or both of the Issuer or the Holders, this may lead to difficulties with determination and calculating interest which in turn could lead to costly and time consuming discussions (and maybe even disputes) in respect of the matter, which in each case could have an adverse effect on the Capital Securities, the Issuer and/or the Holders.

Risk rating: Low

## **OVERVIEW OF THE CAPITAL SECURITIES AND USE OF PROCEEDS**

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*This section (Overview of the Capital Securities) is only intended to serve as an introduction to the Capital Securities. Any decision to invest in the Capital Securities shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The Terms and Conditions of the Notes are found on page 30 and onwards below.*

*This Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.*

*This Prospectus is valid for twelve months after the date of the approval of the Prospectus. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply from the time when trading of the Capital Securities on a Regulated Market begins.*

### **The Capital Securities**

The Initial Capital Securities have an Nominal Amount of SEK 1,250,000 each and are denominated in Swedish kronor. The aggregate nominal amount of the Initial Capital Securities are SEK 800,000,000. In total, 640 Initial Capital Securities have been issued. All Initial Capital Securities are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

Subsequent Capital Securities may be issued in accordance with Clause 2 of the Terms and Conditions. This Prospectus is prepared solely for the admission to trading of the Initial Capital Securities, if Subsequent Capital Securities are issued a new prospectus will be prepared for the potential admission to trading of such Subsequent Capital Securities.

The maximum aggregate nominal amount of the Capital Securities may not exceed SEK 1,500,000,000 unless consent from the Holders is obtained in accordance with the Terms and Conditions. Subsequent Notes will be issued subject to the Terms and Conditions, including, for the avoidance of doubt, the ISIN, the interest rate, the Nominal Amount and the perpetual nature applicable to the Initial Capital Securities. The issue price of the Subsequent Capital Securities may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount.

### **ISIN and common code**

The Capital Securities have been allocated the ISIN code SE0013042413. The Capital Securities will also be allocated a trading code upon admission to trading. Such trading code has not been allocated at the date of this Prospectus.

### **Form of the Capital Securities**

The Capital Securities are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Holder. Hence, no physical notes have been issued. The Capital Securities are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Capital Securities shall be directed to an Account Operator. The Capital Securities are governed by Swedish law and are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (*ensidig skuldförbindelse avsedd för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

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

### **Status of the Capital Securities**

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

The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer, are subordinated as described in Clause 3.2 of the Terms and Conditions.

In short, this means that (i) in the event of an Issuer Winding-up, the right of the Holders to receive payments in respect of the Capital Securities will rank *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities and (ii) in the event of a company re-construction (*företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) the right of the Holders to receive payments in respect of the Capital Securities will rank *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities.

See further in Clause 3.2 of the Terms and Conditions.

## Issuance, repurchase, redemption and calculation

### First Issue Date and Final Maturity Date

The Initial Capital Securities were issued on 18 September 2019. The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in Clause 11 (*Redemption and repurchase of the Capital Securities*) of the Terms and Conditions as described below. The Capital Securities are not redeemable at the option of the Holders at any time.

The Issuer may redeem all, but not some only, of the outstanding Capital Securities in full on the First Call Date, which is the date falling five years after the First Issue Date on 18 September 2019, on any Interest Payment Date thereafter or upon a Special Event according to Clauses 11.3 and 11.4 of the Terms and Conditions (see further described below).

### Purchase of Capital Securities by Group Companies

The Issuer or any other Group Company may, subject to applicable regulations, at any time and at any price purchase Capital Securities on the market or in any other way.

Capital Securities held by the Issuer or a Group Company may at such Group Company's discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes, any Subsequent Capital Securities).

### Voluntary total redemption (call option)

The Issuer may redeem all, but not some only, of the outstanding Capital Securities in full on the First Call Date, which is the date falling five (5) years after the First Issue Date, or on any Interest Payment Date thereafter at an amount per Capital Security equal to 100 per cent. of the Nominal Amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

### Voluntary redemption due to a Special Event

Upon the occurrence of an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event which is continuing the Issuer may, subject to Clause 12 of the Terms and Conditions (*Preconditions to Special Event Redemption or Change of Control Event Redemption*), redeem all, but not some only, of the Capital Securities at an amount equal to:

- (a) 101 per cent. of their principal amount, where such redemption occurs before the First Call Date; or
  - (b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Call Date,
- together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

### Change of Control Event

Upon the occurrence of a Change of Control Event, the Issuer may, no later than the Change of Control Step-up Date, subject to Clause 12 of the Terms and Conditions (*Preconditions to Special Event Redemption or Change of Control Event Redemption*), redeem all, but not some only, of the Capital Securities at an amount equal to:

- (a) 101 per cent. of their principal amount, where such redemption occurs before the First Call Date; or

(b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Call Date, together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

### **Notice of redemption**

Redemption in accordance with Clauses 11.3 (*Voluntary Total Redemption*), 11.4 (*Voluntary Redemption due to a Special Event*) or 11.5.1 (*Change of Control Event*) of the Terms and Conditions shall be made by the Issuer giving not less than thirty (30) Business Days' notice and not more than sixty (60) Business Days' notice to the Holders and the Agent, in each case calculated from the effective date of the notice.

See further in Clause 11.6 of the Terms and Conditions.

### **Cancellation of Capital Securities**

All Capital Securities which are redeemed pursuant to this Clause 11 of the Terms and Conditions and all Capital Securities purchased and elected to be cancelled pursuant to Clause 11.2 of the Terms and Conditions will be cancelled and may not be reissued or resold.

See further in Clause 11.7 of the Terms and Conditions.

### **Payments in respect of the Capital Securities**

Any payment or repayment under the Terms and Conditions, or any amount due in respect of a repurchase of any Capital Securities, shall be made to such person who is registered as a Holder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

See further in Clause 8 of the Terms and Conditions.

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

#### **Interest**

Each Initial Capital Security carries Interest at the applicable Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Capital Security will carry Interest at the applicable Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.

Interest accrues during an Interest Period. Subject to Clause 10 of the Terms and Conditions, Payment of Interest in respect of the Capital Securities shall be made to the Holders on each Interest Payment Date for the preceding Interest Period.

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).

The interest rate is calculated as STIBOR plus the applicable Margin (and if any such total rate is below zero then the Interest Rate will be deemed to be zero).

Margin is defined in the Terms and Conditions:

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the First Call Date, 6.50 per cent. per annum;
- (b) in respect of the period from (but excluding) the First Call Date to (and including) 18 September 2026, 8.50 per cent. per annum;
- (c) in respect of the period from (but excluding) 18 September 2026 to (and including) 18 September 2028, 9.50 per cent. per annum;
- (d) in respect of the period from (but excluding) 18 September 2028 to (and including) 18 September 2030, 10.50 per cent. per annum; and
- (e) in respect of the period from (but excluding) 18 September 2030 and thereafter, 11.50 per cent. per annum.



### **Step-up after a Change of Control Event**

Notwithstanding any other provision of Clause 9 of the Terms and Conditions, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 11.5 (*Change of Control Event*) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of Clause 9 of the Terms and Conditions, on the Capital Securities shall be increased by 500 basis points *per annum* with effect from (but excluding) the Change of Control Step-up Date up to (and including) the relevant Redemption Date.

### **Default interest**

If the Issuer fails to pay any amount payable by it under the pursuant to Clause 10.3 of the Terms and Conditions (*Mandatory settlement*) or Clause 11 (*Redemption and repurchase of the Capital Securities*) (except for Clause 11.1 (*No maturity*), Clause 11.2 (*Purchase of Capital Securities by Group Companies*) and Clause 11.7 (*Cancellation of Capital Securities*)) 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 200 basis points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each person who was a Holder 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.

### **Deferral of Interest Payments**

The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice of such election to the Holders, the Issuing Agent and the Agent in accordance with Clause 23 of the Terms and Conditions not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above.

See further in Clause 10 of the Terms and Conditions.

### **Use of benchmarks**

Interest payable for the Capital Securities will be calculated by reference to STIBOR. At the date of this Prospectus, the administrator (being at the date of this Prospectus, the Financial Benchmarks Sweden AB. However, it has been announced that Financial Benchmarks Sweden AB will transfer the administration of SRIBOR to a Swedish subsidiary to Global Rate Set Systems. As of the date of this Prospectus, the name of the Swedish subsidiary has not been announced.) does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware the provisions in Article 51 of the Benchmark Regulation apply, such that the administrator is not yet required to obtain authorisation or registration.

### **Admission to trading of the Capital Securities**

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure (i) that the Initial Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days after the First Issue Date, (ii) that any Subsequent Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm (or, if applicable, any other Regulated Market on which the Initial Capital Securities are listed) within thirty (30) days following the relevant subsequent issue date, and (iii) that the Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon. The aforementioned shall however not apply from and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

It is estimated that the Issuer's costs in conjunction with the admission to trading will be no higher than SEK 250,000.

### **Decisions by Holders**

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

Only a person who is, or who has been provided with a power of attorney in accordance with the Terms and Conditions from a person who is, registered as a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 16.2.2 of the Terms and Conditions, in respect of a Holders' Meeting; or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3.2 of the Terms and Conditions, in respect of a Written Procedure;

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

A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Holders.

Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

See further in Clause 16 of the Terms and Conditions.

## **No direct action by Holders**

Subject to certain exemptions set out in the Terms and Conditions, a Holder may not take any steps whatsoever against the Issuer 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 (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Terms and Conditions.

## **Prescription**

The right to receive repayment of the principal of the Capital Securities shall be prescribed and become void ten (10) years from the relevant 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 Holders' right to receive payment has been prescribed and has become void.

## **Governing law**

The Terms and Conditions of the Notes 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 City Court of Stockholm (*Stockholms tingsrätt*).

## **The CSD**

Euroclear Sweden, Swedish Corporate ID No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as Central Securities Depository (CSD) and registrar in respect of the Capital Securities.

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

Nordic Trustee & Agency AB (publ), Swedish Corporate ID. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden, is initially acting as Agent on behalf of the Holders in accordance with the Terms and Conditions.

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

**The Issuing Agent**

Swedbank AB (publ) , Swedish Corporate ID. 502017-7753, SE 105-34 Stockholm, Sweden, is initially acting as Issuing Agent in accordance with the Terms and Conditions of the Capital Securities.

**Use of proceeds**

The Issuer shall use the Net Proceeds from the issue of Capital Securities for its general corporate purposes, including refinancing of financial indebtedness and financing acquisitions.

## DESCRIPTION OF THE ISSUER

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### Introduction and business overview

The Issuer was founded in 2010 and has its registered office in Stockholm, Sweden. It originates from one of two main business areas within Kvalitena AB (publ) (“**Kvalitena**”), a company founded in 1995. In 2013, Kvalitena divided the main part of its real estate portfolio in the Stockholm region into two sub-portfolios; one containing residential buildings, and the other containing warehouse and light industrial buildings. The Issuer was built from the sub-portfolio focused on warehousing and light industrial buildings.

The Issuer is a real estate company that invests primarily in warehousing, logistics and light industrial properties located in the Greater Stockholm (*Storstockholm*) and Mälardalen region (*Mälardalen*). Its business idea is to create long term value add growth by acquiring, developing and managing properties. The goal is to create a high risk-adjusted return for its shareholders by working for long-term and close customer relations. The Issuer want to keep and strengthen their relations with their many and well renowned tenants, by a present, engaged and long-term focus on its clients.

### History

2010	The Issuer was founded 15 November 2010.
2013	Kvalitena divides the main part of its real estate portfolio in the Stockholm region into two sub-portfolios, one sub-portfolio dedicated to residential buildings and one sub-portfolio dedicated to warehouse and light industrial buildings.
2014	The sub-portfolio for warehouse and light industrial buildings was listed on First North, Nasdaq Stockholm by Kvalitena through an extraordinary shareholder’s meeting in Header Compression Sweden Holding AB (“ <b>HCS Holding</b> ”) in November 2014, by which it was decided that HCS Holding would purchase all shares of Stendörren Stockholm 1 AB. The shares of Effnetplattformen AB (publ) were at the same time distributed among the shareholders of HCS Holding, which changed its name to Stendörren Fastigheter AB (publ).
2014	The Issuer had a real estate portfolio valued to SEK 2,200 million and consisted of approximately 275,000 sqm of rentable area. Due to a high pace on the transactions market, the value of the Issuer’s portfolio increased to SEK 4,400 million.
2015	The Issuer’s B-class shares were re-listed on First North Premier.
2015	The Issuer continues to grow by acquiring more properties, and develop their own organisation, by establishing their own rental operations.
2015	The Issuer acquires its first property in Uppsala and owns properties valued to SEK 5,400 million.
2016	The Issuer owns properties valued to SEK 5,800 million.
2017	The Issuer continues to grow and owns 100 properties with a rentable area of 603,000 sqm, to a total value of approximately SEK 6,500 million.
2018	The Issuer’s B-class shares were re-listed on Nasdaq Stockholm.
2018	EQT Real Estate announced 27 February 2018 that it had acquired the majority of the voting rights in the Issuer and published a public bud for all outstanding shares in the company. By the end on 2018 EQT Real Estate controlled over 58 per cent. of the votes and just under 41 per cent. of the capital in the Issuer

### Business areas

The Issuer’s business can be divided into the following areas.

#### Real estate, active management and rentals

As at 30 June 2019, the Issuer’s real estate portfolio consisted of 122 real estates, with a combined market value of SEK 8,754 million. All of the Issuer’s properties are located in Greater Stockholm and Mälardalen region. Combined, the 122 properties comprised approximately 721,000 sqm, out of which warehouse, logistics and light industrial buildings accounted for around 66 per cent. of the total rentable area.

Renting out properties is a central part of the Issuer’s business. The rentals are since 2015 managed by the Issuer’s in-house organisation which co-operates with the Issuer’s management organisation. The Issuer rents space to approximately 740 different tenants, among which are both smaller to middle sized companies, as well as large multinational corporations. The tenants are all active in a number of different industry sectors. A combination of the number of tenants and the fact that 82 per cent. of the Issuer’s properties have two or more tenants, creates a spread of risk and reduces the probability of vacancies and loss of rental income due to bankruptcy. As at 30 June 2019, the ten largest of the Issuer’s tenants represented approximately one fifth of the total annual rental income.

The Issuer creates conditions for long-term tenant relations by active management through their own internal organisation. The Issuer aims to capture any changed needs of their clients in an early stage, and to offer quality service and support. Having their own organisation for management creates presence and availability for their tenants and the area. It creates understanding for their clients' needs and knowledge about the properties.

The Issuer's aim is to, given the current market situation and rental levels, create long-term rental agreements, with tenants of good creditworthiness, and to have an even maturity structure among its collective of rental agreements. The current expansion in Stockholm means that agreements with a shorter tenor are negotiated in certain areas, which consequently opens up for a faster adaptation to climbing market rents. When rental agreements are re-negotiated, an assessment is made on the current status of the market in the relevant area, and the needs and wishes of the tenant. By a continuous dialogue with the tenants, good conditions are created for reaching a consensus on expectations and a continued relation. During 2018, 90 rental agreements were signed with a combined annual rental value of SEK 69 million. Renegotiated contracts during 2018 on average resulted in a rental increase of 14 per cent.

### **Property development**

One part of the Issuer's business model is to improve the property values through property development. By profitable investments, the standards of the properties is increased and attractive facilities are created, which in turn over time results in an increase of cash-flow. The Issuer is actively developing and improving properties within the geographical area of focus, the Greater Stockholm (*Storstockholm*) and Mälardalen region (*Mälardalen*). The property development can be divided into three parts: property development, new productions and building rights.

One part on property development is to improve the properties in the Issuer's current portfolio. By a careful assessment of the properties in its portfolio, looking at factors such as geographic position, the areas development, the demand for facilities, types of tenants, levels of rent and need for investments, the objects for improvement are carefully identified. The Issuer invested SEK 296 million during the year of 2018, into its current property portfolio. These investments usually occurs when a change of tenant in a property takes place. By developing the existing buildings and facilities, the properties' potential is improved and new value is created.

The Issuer works actively to efficiently develop their current building rights and to create new building rights. It has a continuous dialogue with different municipalities in their urban management planning to develop the areas where the Issuer operates to modern and sustainable warehousing and logistic workspaces. As at 30 June 2019, the Issuer had 25 properties wholly or partly consisting of building rights. If these building rights would be fully exploited it is estimated that up to 627,000 sqm of total lettable area can be created, mainly for light industrial, logistics and retail use. In some of these properties, the planning is under way to convert the building rights to another area of use, such as residential.

### **Real estate transactions**

A part of the Issuer's goals for growth is to acquire properties located in the Greater Stockholm (*Storstockholm*) or Mälardalen region (*Mälardalen*) and properties that are flexible in their line of use. Primary areas of focus are within the industrial areas of Stockholm. In 2018, the Issuer purchased, through 10 separate transactions, 24 real estate properties with a total combined lettable area of 147,700 sqm. The total cost for all properties amounted to SEK 1,715 million. Three properties were also sold in two separate transactions with an underlying value of SEK 362 million. The strategy is to maintain a portfolio with properties that to 85 per cent. consist of cash flow generating assets and up to 15 per cent. of development properties and building rights.

### **Material trends, uncertainties, demands and commitments**

The Issuer's mission is to create long-term and value add growth by acquiring, developing and managing properties. It will mainly operate in Greater Stockholm (*Storstockholm*) and the Mälardalen region (*Mälardalen*), with focus on warehouses, logistics and light industrial buildings.

The interest for investments in real estate has been high during the past few years, and the Swedish real estate market showed continued strength during 2018. The total turnover amounted to approximately SEK 159 billion of real estate transactions during the year, which is largely in line with the annual investment volume in the last five years. There are variations in the different segments in the real estate market. The residential segment was the largest with a transaction volume of approximately SEK 52 billion, properties for offices was the second-largest segment with a transaction volume of SEK 33 billion. For warehouse and light industrial properties, the

interest has been large during the year of 2018 and the segment is the third largest turnover, and a market share of 11 per cent.

The current low interest rate environment has had a great impact on the commercial real estate sector. The low interest rates has made large amounts of capital available for investments in real estate, which has pushed up property prices and pushed down property yields. Property yields (the relation between net operating income and property value) are at historically low levels within all of the real estate segments but with interest rates at current historical low levels, the arbitrage between property yield and interest rates is still high in a historic perspective. Even though demand is estimated to continue to be at the highest in the three largest cities in Sweden, the lack of supply has moved investors to secondary markets and objects.

## General corporate and Group information

### The Issuer

The Issuer's legal and commercial name is Stendörren Fastigheter AB (publ), and its Swedish Corporate ID. No. is 556825-4741. The registered office of the Board is located in Stockholm and the Issuer's registered address is Stendörren Fastigheter AB, Linnégatan 87 B, SE-115 23 Stockholm, Sweden. The Issuer was incorporated in Sweden on 13 November 2010 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 10 November 2010. The Issuer is a Swedish public limited liability company and is regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The Issuer's LEI Code is 5493003YS3NSPZJ5WU39.

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

Pursuant to clause 3 of the Articles of Association of the Issuer, the Issuer's business shall be to directly or indirectly through its subsidiaries, own, administrate and conduct trading with real property, and conduct business pertaining thereto.

Under its current Articles of Association, the Issuer's share capital shall be not less than SEK 10,950,000 and not more than SEK 43,800,000, divided into not fewer than 18,250,000 shares and not more than 73,000,000 shares. The Issuer has two classes of shares, A-class and B-class. According to the Issuer's Articles of Association, the Issuer may also issue preference shares. At the date of this Prospectus, no preference shares have been issued. The Issuer's registered share capital is SEK 16,893,384.60, represented by 28,155,641 shares. Each share has a quota value of SEK 0.6. Each A-class share equals ten votes and each B-class share equals one vote.

### Legal Group structure

The Issuer is part of a corporate group in which it is the ultimate parent. As at 31 December 2018, the Group consisted of 107 private limited companies, all of which are, directly or indirectly, fully owned subsidiaries to the Issuer. All properties owned by the Issuer are owned through a subsidiary and the Issuer's operations are conducted through the subsidiaries. As a consequence of the operations being conducted through the Issuer's subsidiaries, the Issuer is dependent on its subsidiaries in order to generate profit and cash flow and, thus, to be able to meet its obligations under the Capital Securities.

## Principal shareholders

The table below lists the 10 largest shareholders of the Issuer as of 31 August 2019.

<b>Name of shareholder</b>	<b>Number of A-shares</b>	<b>Number of B-shares</b>	<b>% of the votes</b>	<b>% of the capital</b>
Stendörren Real Estate AB	2,000,000	9,451,606	58.1	40.7
Altira AB	500,000	2,401,720	14.6	10.3
Länsförsäkringar Fondförvaltning AB	-	4,453,941	8.8	15.8
SEB Investment Management	-	1,817,629	3.6	6.5
Verdipapirfond Odin Ejendom	-	869,889	1.7	3.1
JP Morgan Bank Luxembourg S.A.	-	610,000	1.2	2.2
Humle Kapitalförvaltning AB	-	581,379	1.2	2.1
Anders Ivarsson Aktiebolag	-	463,349	0.9	1.7
Alfred Berg	-	367,213	0.7	1.3
Skagen M2 Verdipapirfondet	-	353,194	0.7	1.3
<b>Total</b>	<b>2,500,000</b>	<b>21,369,920</b>	<b>91.5</b>	<b>85.0</b>

## THE BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

### Board of directors

The Board of the Issuer consists of six (6) members elected by the General Meeting of Shareholders. The table below sets forth the name and current position of each Board member.

Name	Position	Board member since
Seth Lieberman	Chairman	2014
Henrik Orrbeck	Member	2019
Anders Tägt	Member	2019
Helena Levander	Member	2017
Andreas Philipson	Member	2016
Carl Mörk	Member	2016

#### Seth Lieberman

*Born 1961. Chairman of the Board since 2019 and Board member since 2014.*

**Principal education:** B.A. in Economics, Tufts University.

**Other on-going principal assignments:** Board member in Kvalitena AB and Svenskt Industriflyg AB. Responsible for strategy and investments of Advanced Capital's Real Estate Fund of Funds. Advisor to EQT Real Estate LP's committee of investments.

**Independence in relation to the Issuer and the management and/or the Issuer's larger shareholders:**

Independent in relation to the Issuer and its management, but not in relation to the Issuer's larger shareholders as Seth Lieberman is an advisor to EQT Real Estate LP's committee of investments.

#### Henrik Orrbeck

*Born 1976. Board member since 2019.*

**Principal education:** Master of Science in Management and Administrative Science, University of Texas, Master of Economics, Jönköping International Business School

**Other on-going principal assignments:** Managing Director of EQT Real Estate. Chairman of the board of Hönsfodret Realty AB, Hönsfodret Investment AB and Stendörren Real Estate AB. Board member of Maiden Lane Holdings AB, Portgås Fastighets AB and Sägtorp Utveckling AB.

**Independence in relation to the Issuer and the management and/or the Issuer's larger shareholders:**

Independent in relation to the Issuer and its management, but not in relation to the Issuer's larger shareholders as Henrik Orrbeck is Managing Director of EQT Real Estate.

#### Anders Tägt

*Born 1954. Board member since 2019.*

**Principal education:** Master of Science in Engineering, Civil Engineer, KTH.

**Other on-going principal assignments:** Board member of AB Granudden Konsult and board member of Brunswick Real Estate Capital Advisory AB.

**Independence in relation to the Issuer and the management and/or the Issuer's larger shareholders:**

Independent in relation to the Issuer and its management, and to the Issuer's larger shareholders.



## Helena Levander

*Born 1957. Board member since 2017.*

**Principal education:** Master of Science in Business and Economics, Stockholm School of Economics.

**Other on-going principal assignments:** Chairman of the board of Nordic Investor Services AB and Ativo Finans AB. Board member of Recipharm AB, Medivir AB, Concordia Maritime AB, Rejlers AB and Lannebo Fonder AB.

**Independence in relation to the Issuer and the management and/or the Issuer's larger shareholders:** Independent in relation to the Issuer and its management, and to the Issuer's larger shareholders.

## Andreas Philipson

*Born 1958. Board member since 2016.*

**Principal education:** Master of Science in Engineering, Civil Engineer, Chalmers University of Technology.

**Other on-going principal assignments:** CEO and board member of TAM Group AB and board member of Besqab AB and subsidiaries within the TAM Group.

**Independence in relation to the Issuer and the management and/or the Issuer's larger shareholders:** Independent in relation to the Issuer and its management, and to the Issuer's larger shareholders. Holds 2,000 B-class shares in the Issuer.

## Carl Mörk

*Born 1969. Board member since 2016.*

**Principal education:** Master of Science in Engineering, Master of Science in Real Estate Financing, London School of Economics.

**Other on-going principal assignments:** Chairman of the board and founder of Altira AB. Board member of Vrenen Fastigheter. Chairman of the board of Ankarhagen AB.

**Independence in relation to the Issuer and the management and/or the Issuer's larger shareholders:** Independent in relation to the Issuer and its management, but not to the Issuer's larger shareholders. Altira AB, a company Carl Mörk is affiliated with, owns 500,000 A-class shares and 2,501,720 B-class shares in the Issuer.

## Senior Management

The Senior Management consist of a team of six (6) persons. The table below sets forth the name and current position of each member of the Senior Management.

Name	Position	Member of Senior Management since
Mikael Nicander	President and CEO	2019
Magnus Sundell <sup>1</sup>	Vice President and CFO	2014
Maria Mastej	Head of Marketing and Leasing	2015
Frej Adolph	Property Manager	2016
Caroline Gebauer	Head of Legal	2017
Johan Bräkenheilm <sup>2</sup>	Head of Transactions	2017

## Mikael Nicander

*Born 1970. President & CEO since 2019.*

**Principal education:** Bachelor of Science in Construction and Real Estate, KTH.

<sup>1</sup> Magnus Sundell has announced that he will resign as CFO at year-end 2019. The Issuer announced on 8 November 2019 that Per-Henrik Karlsson will be new CFO (*ekonomidirektör*) from 1 January 2020.

<sup>2</sup> Johan Bräkenheilm has announced that he will resign as Head of Transactions at year-end 2019.

**Magnus Sundell**

*Born 1967. Vice President and CFO since 2014.*

**Principal education:** Master of Science in Business and Economics, Uppsala University.

**Other:** Holds 3,000 B-class shares and 43,974 warrants in the Issuer.

**Maria Mastej**

*Born 1982. Head of Marketing and Leasing since 2015.*

**Principal education:** Master of Laws, Uppsala University.

**Other:** Holds 33,974 warrants in the Issuer.

**Frej Adolph**

*Born 1974. Property Manager since 2016.*

**Principal education:** Master of Engineering, KTH. Member of RICS.

**Other:** Holds 18,974 warrants in the Issuer.

**Caroline Gebauer**

*Born 1980. Head of Legal since 2017.*

**Principal education:** Master of Laws, Uppsala University.

**Other:** Holds 33,974 warrants in the Issuer.

**Johan Bråkenhielm**

*Born 1973. Head of Transactions since 2017.*

**Principal education:** Master of Engineering, Surveying, Field Construction and Real Estate Economics, KTH.

**Other:** Holds 33,974 warrants in the Issuer.

**Auditors**

The Issuer's auditors are Ingemar Rindstig since 2014 and Ernst & Young AB (Box 7850, SE-103 99 Stockholm) since 2014 with Oskar Wall as auditor in charge since 2016. Both Ingemar Rindstig and Oskar Wall are employed by Ernst & Young AB and authorised public accountants and members of FAR, the professional institute for accountants in Sweden.

**Business address**

The address for all Board members and members of the Senior Management is c/o the Issuer, Linnégatan 87 B, 115 23 Stockholm, Sweden.

**Conflicts of interest**

Certain Board Members and members of the Senior Management have a financial interest in the Issuer as a consequence of being shareholders in the Issuer. The Board of Directors of the Issuer does not consider this to constitute a conflict of interest.

Henrik Orrberg is Managing Director of EQT Real Estate and Seth Leiberman is an advisor to EQT Real Estate LP's committee of investments, i.e. they are independent in relation to the Issuer and its management, but not in relation to the Issuer's larger shareholder.

Other than as set out above, there are no potential conflicts of interest between the duties to the Issuer of the persons listed under the headings "Board of Directors" and "Senior Management" above and their private interests or other duties.

## **LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION**

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### **Authorisations and responsibility**

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Capital Securities and the performance of its obligations relating thereto. The issuance of the Initial Capital Securities on 18 September 2019 was authorised by a resolution of the board of the Issuer on 29 August 2019.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

### **Material agreements**

Neither the Issuer nor any other Group Company has concluded any material agreements not entered into in the ordinary course of its business which could result in a member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders.

### **Legal and arbitration proceedings**

The Group is from time to time involved in governmental, legal or arbitration proceedings within its business. However, the Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous 12 months from the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

### **Certain material interests**

Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp and Swedbank AB (publ) are Joint Bookrunners in conjunction with the issuance of the Capital Securities. The Joint Bookrunners (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

### **Trend information**

There has been no material adverse change in the prospects of the Issuer since 23 April 2019, being the date of publication of the annual report for 2018 which is the last audited financial information of the Issuer.

### **Significant changes since 19 July 2019**

There have been no significant changes in the financial position or performance of the Group since 19 July 2019.

Other than the issue of Capital Securities there has been no significant change of the financing structure of the Group since 31 December 2018.

## Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of the Prospectus:

### Annual Report for 2017

([https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2018/05/arsredovisning\\_2017.pdf](https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2018/05/arsredovisning_2017.pdf))

as regards the audited financial information on:

- page 122 for income statement;
- page 126 for balance sheet;
- page 128 for changes in equity capital;
- page 129 for cash flow statement;
- pages 135-158 for notes; and
- pages 161-164 for the audit report.

### Annual Report for 2018

([https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2019/04/stendorren\\_fastigheter\\_arsredovisning\\_2018-1.pdf](https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2019/04/stendorren_fastigheter_arsredovisning_2018-1.pdf))

as regards the audited financial information on:

- page 122 for income statement;
- page 124 for balance sheet;
- page 126 for changes in equity capital;
- page 127 for cash flow statement;
- pages 133-156 for notes; and
- pages 161-164 for the audit report

### 2019 Q3 Interim Report

([https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2019/11/delarsrapport\\_jan-sep\\_2019\\_stendorren-fastigheterab\\_low-1.pdf](https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2019/11/delarsrapport_jan-sep_2019_stendorren-fastigheterab_low-1.pdf))

as regards the unaudited financial information for the period from January to June 2019 on:

- page 10 for financial ratios;
- page 12 for income statement;
- page 14 for balance sheet;
- page 16 for changes in equity capital; and
- page 17 for cash flow statement.

### Financial ratios

([https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2019/03/definition-av-alternativa-nyckeltal\\_q4-2018.pdf](https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2019/03/definition-av-alternativa-nyckeltal_q4-2018.pdf))

as regards financial ratios for the period until June 2019. The following items in the referred document: Loan to Value, Return on Equity, Equity Ratio, Interest Cover Ratio, Debt Funding Overview and Net Debt.

### Financial and non-financial definitions:

(<https://www.stendorren.se/cdn.triggerfish.cloud/uploads/2019/05/finansiella-och-icke-finansiella-definitioner.pdf>)

as regards the financial definitions, the following items in the referred document: Loan to Value, Return on Equity, Equity Ratio, Property Value, Lettable Area, Rental Value, Property Yield, Lease Duration, Economic Occupancy Rate, Rental Income, Net Operating Income, Interest Cover Ratio, Interest Fixing, Debt Funding Overview and Net Debt.

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

The Issuer's Annual Reports has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslag (1995:1554)*). With the exception of the Annual Reports, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

The Issuer's interim report for the period January – June 2019 have been prepared in accordance with IFRS.

**Documents on display**

Copies of the following documents are available at the Issuer's website ([www.stendorren.se](http://www.stendorren.se)):

- the Issuer's articles of association and certificate of registration;
- the Issuer's annual reports (including auditor's report) for the financial years 2017 and 2018 and the interim report for the period January-June 2019.

Copies of the Agency Agreement are available at the Issuer's office, Linnégatan 87 B, 115 23 Stockholm, Sweden (regular office hours).

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

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### TERMS AND CONDITIONS FOR STENDÖRREN FASTIGHETER AB (PUBL) UP TO SEK 1,500,000,000 SUBORDINATED PERPETUAL FLOATING RATE CALLABLE CAPITAL SECURITIES ISIN: SE0013042413

#### 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 Holder has opened a Securities Account in respect of its Capital Securities.

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

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

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

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

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

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*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.

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

“**Change of Control Event**” means an event where:

- (a) any person (other than EQT Real Estate) or group of persons acting in concert, (i) becomes the owner, directly or indirectly, or have the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and/or votes in the Issuer, or (ii) have 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; or

- (b) the shares of class B in the Issuer ceases to be listed on a Regulated Market or any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

For the purpose of this definition, “**acting in concert**” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

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

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Capital Securities, 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 Capital Securities from time to time.

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

“**Deferred Interest**” has the meaning ascribed to in Clause 10.1.2.

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

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities; and/or
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law; and
- (ii) in the case of paragraph (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of (A) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer or (B) any share buyback programme then in force and duly approved by the shareholders’ general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction.

“**EQT Real Estate**” means EQT Real Estate II SCSp, or a subsidiary or affiliate of EQT Real Estate II SCSp and/or a co-investment vehicle managed by EQT Fund Management S.à r.l. or any other

person managed by EQT Fund Management S.å r.l., or by any successor as manager of such partnership or person, provided that such successor is an affiliate of EQT AB (publ).

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

“**First Call Date**” means the date falling five (5) years after the First Issue Date.

“**First Issue Date**” means 18 September 2019.

“**Force Majeure Event**” has the meaning set forth in Clause 24.1.

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

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

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clauses 16.1 (*Request for a decision*), 16.2 (*Convening of Holders’ Meeting*) and 16.4 (*Majority, quorum and other provisions*).

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

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

“**Interest**” means the interest on the Capital Securities calculated in accordance with Clauses 9.1.1 to 9.1.3.

“**Interest Payment**” means, in respect the payment of interest on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Clause 9 (*Interest*).

“**Interest Payment Date**” means, subject to Clause 10 (*Optional Interest Deferral*), 18 September, 18 December, 18 March and 18 June 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 Capital Securities shall be 18 December 2019 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date or, if the Capital Securities are redeemed before, the Redemption Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date or, if the Capital Securities are redeemed before, the Redemption Date.

“**Interest Rate**” means STIBOR plus the applicable Margin. 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**” the First Issue Date and each other date on which Capital Securities are to be issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means Stendörren Fastigheter AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556825-4741.

“**Issuer Winding-up**” has the meaning set forth in Clause 3.2.

“**Issuer Re-Construction**” has the meaning set forth in Clause 3.2.

“**Issuing Agent**” means, initially, Swedbank AB (publ) and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**Margin**” means:

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the First Call Date, 6.50 per cent. *per annum*;



- (b) in respect of the period from (but excluding) the First Call Date to (and including) 18 September 2026, 8.50 per cent. *per annum*;
- (c) in respect of the period from (but excluding) 18 September 2026 to (and including) 18 September 2028, 9.50 per cent. *per annum*;
- (d) in respect of the period from (but excluding) 18 September 2028 to (and including) 18 September 2030, 10.50 per cent. *per annum*; and
- (e) in respect of the period from (but excluding) 18 September 2030 and thereafter, 11.50 per cent. *per annum*.

“**Net Proceeds**” means the gross proceeds from the offering of the relevant Capital Securities, minus (i) in respect of the Initial Capital Securities, the costs incurred by the Issuer in conjunction with the issuance thereof, and (ii) in respect of any Subsequent Capital Securities, the costs incurred by the Issuer in conjunction with the issuance thereof.

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

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

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities; and
- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities.

“**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 (i) an Interest Payment Date, (ii) a Redemption Date, or (iii) 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 Capital Securities are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Capital Securities*).

“**Reference Banks**” means Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

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

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

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

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

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period;

- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuing Agent (rounded upwards to four decimal places) by interpolation between the two closest rates displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in paragraph (b) above is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

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

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

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

**“Substantial Repurchase Event”** shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than eighty (80) per cent. of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes any Subsequent Capital Securities).

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

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

**“Tax Law Change”** means:

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

in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the date falling five (5) Business Days prior to the First Issue Date.

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

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

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clauses 16.1 (*Request for a decision*), 16.3 (*Instigation of Written Procedure*) and 16.4 (*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 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.4 No delay or omission of the Agent or of any Holder to exercise any right or remedy under the Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

1.2.5 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Holders and the Agent.

## 2. THE CAPITAL SECURITIES

2.1 The Capital Securities are denominated in Swedish Kronor and each Capital Security is constituted by these Terms and Conditions. The Issuer undertakes to comply with these Terms and Conditions.

2.2 By subscribing for Capital Securities, each initial Holder agrees that the Capital Securities shall benefit from and be subject to the Terms and Conditions and by acquiring Capital Securities, each subsequent Holder confirms such agreement.

2.3 The nominal amount of each Initial Capital Security is SEK 1,250,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Initial Capital Securities as at the First Issue Date is

SEK 800,000,000. All Initial Capital Securities are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

- 2.4 The Issuer may, on one or several occasions, issue Subsequent Capital Securities. Subsequent Capital Securities shall benefit from and be subject to the Terms and Conditions, and, for the avoidance of doubt, the ISIN, the Interest Rate, the currency, the Nominal Amount and the perpetual nature applicable to the Initial Capital Securities shall apply to Subsequent Capital Securities. The issue price of the Subsequent Capital Securities may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Capital Securities (the Initial Capital Securities and all Subsequent Capital Securities) may not exceed SEK 1,500,000,000 unless a consent from the Holders is obtained in accordance with Clause 16.4.2(a). Each Subsequent Capital Security shall entitle its holder to Interest in accordance with Clause 9.1.1, and otherwise have the same rights as the Initial Capital Securities.
- 2.5 The Capital Securities are freely transferable but the Holders may be subject to purchase or transfer restrictions with regard to the Capital Securities, as applicable, under local regulation to which a Holder may be subject. Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 2.6 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of any document or other material relating to the Issuer or the Capital Securities in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Capital Securities.

### 3. STATUS OF THE CAPITAL SECURITIES

- 3.1 The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer, are subordinated as described in Clause 3.2 below.
- 3.2 In the event of:
- (a) a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders (or the Agent on their behalf) shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
    - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
    - (ii) in priority to all present and future claims in respect of:
      - (A) the ordinary shares of the Issuer; and
      - (B) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities; and
    - (iii) junior in right of payment to any present or future claims of:
      - (A) all unsubordinated obligations of the Issuer; and
      - (B) all Subordinated Indebtedness; or

- (b) a company re-construction (*företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (an “**Issuer Re-construction**”), the Holders (or the Agent on their behalf) shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; and
  - (ii) junior in right of payment to any present or future claims of:
    - (A) all unsubordinated obligations of the Issuer; and
    - (B) all Subordinated Indebtedness.

*Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction.*

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

#### 4. USE OF PROCEEDS

The Issuer shall use the Net Proceeds from the issue of Capital Securities for its general corporate purposes, including refinancing of financial indebtedness and financing acquisitions.

#### 5. CONDITIONS FOR DISBURSEMENT

- 5.1 The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
- (a) the Terms and Conditions and the Agency Agreement duly executed by the Issuer;
  - (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Capital Securities, the terms of the Terms and Conditions and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
  - (c) copies of the articles of association and an up-to-date certificate of registration of the Issuer;
  - (d) evidence that the person(s) who has/have signed the Terms and Conditions, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is/are duly authorised to do so; and
  - (e) such other documents and evidence as is agreed between the Agent and the Issuer.
- 5.2 The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Capital Securities, the following:
- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Capital Securities and resolving to enter into documents necessary in connection therewith;

- (b) copies of the articles of association and an up-to-date certificate of registration of the Issuer; and
  - (c) such other documents and evidence as is agreed between the Agent and the Issuer.
- 5.3 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1 or 5.2, as the case may be have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. three (3) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees), or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- 5.4 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.3, the Issuing Agent shall settle the issuance of the Initial Capital Securities and pay the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.3, the Issuing Agent shall settle the issuance of any Subsequent Capital Securities and pay the Net Proceeds to the Issuer on the relevant Issue Date.

## **6. CAPITAL SECURITIES IN BOOK-ENTRY FORM**

- 6.1 The Capital Securities will be registered for the Holders on their respective Securities Accounts and no physical Capital Securities will be issued. Accordingly, the Capital Securities will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Holders and their holdings of Capital Securities.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Capital Security 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 Terms and Conditions, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 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 Terms and Conditions and the Agency Agreement and shall not disclose such information to any Holder or third party unless necessary for such purposes.

## **7. RIGHT TO ACT ON BEHALF OF A HOLDER**

- 7.1 If any person other than a Holder wishes to exercise any rights under the Terms and Conditions, it must obtain a power of attorney or other authorisation from the Holder or a successive, coherent chain of powers of attorney or authorisations starting with the Holder and authorising such person.
- 7.2 A Holder 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 Capital Securities held by it. Any such representative may act independently under the Terms and Conditions in relation to the Capital Securities for which such representative is entitled to represent the Holder.
- 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 These Terms and Conditions shall not affect the relationship between a Holder who is the nominee (*förvaltare*) with respect to a Capital Security and the owner of such Capital Security, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **8. PAYMENTS IN RESPECT OF THE CAPITAL SECURITIES**

- 8.1 Any payment or repayment under the Terms and Conditions, or any amount due in respect of a repurchase of any Capital Securities, shall be made to such person who is registered as a Holder 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 If a Holder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Holders 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.
- 8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 8.5 The Issuer is not liable to gross-up any payments under the Terms and Conditions by virtue of any withholding tax, public levy or the similar.

## **9. INTEREST**

### **9.1 Interest**

- 9.1.1 Each Initial Capital Security carries Interest at the applicable Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Capital Security will carry Interest at the applicable Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 9.1.2 Interest accrues during an Interest Period. Subject to Clause 10 (*Optional Interest Deferral*), Payment of Interest in respect of the Capital Securities shall be made to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.1.3 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).
- 9.1.4 Payment of Interest in respect of each Interest Period may be deferred in accordance with Clause 10 (*Optional Interest Deferral*).

### **9.2 Step-up after a Change of Control Event**

Notwithstanding any other provision of this Clause 9, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 11.5 (*Change of Control Event*) following the

occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Clause 9, on the Capital Securities shall be increased by 500 basis points *per annum* with effect from (but excluding) the Change of Control Step-up Date up to (and including) the relevant Redemption Date.

### **9.3 Default interest**

If the Issuer fails to pay any amount payable by it under the pursuant to Clause 10.3 (*Mandatory settlement*) or Clause 11 (*Redemption and repurchase of the Capital Securities*) (except for Clause 11.1 (*No maturity*), Clause 11.2 (*Purchase of Capital Securities by Group Companies*) and Clause 11.7 (*Cancellation of Capital Securities*)) 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 200 basis points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each person who was a Holder 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. OPTIONAL INTEREST DEFERRAL**

### **10.1 Deferral of Interest Payments**

10.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice of such election to the Holders, the Issuing Agent and the Agent in accordance with Clause 23 (*Notices*) not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above.

10.1.2 Any Interest Payment so deferred pursuant to this Clause 10 shall, from (but excluding) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (and including) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.

10.1.3 The deferral of an Interest Payment in accordance with this Clause 10 shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

### **10.2 Optional Settlement**

Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders, the Issuing Agent and the Agent in accordance with Clause 23 (*Notices*) not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest.

### **10.3 Mandatory settlement**

The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:

- (a) the tenth (10<sup>th</sup>) Business Day following the date on which a Deferred Interest Payment Event occurs;
- (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and



- (c) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 11 (*Redemption and repurchase of the Capital Securities*) or Clause 15 (*Default and Enforcement*).

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders, the Issuing Agent and the Agent in accordance with Clause 23 (*Notices*) within three (3) Business Days of such event.

## **11. REDEMPTION AND REPURCHASE OF THE CAPITAL SECURITIES**

### **11.1 No maturity**

The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in this Clause 11 (*Redemption and repurchase of the Capital Securities*). The Capital Securities are not redeemable at the option of the Holders at any time.

### **11.2 Purchase of Capital Securities by Group Companies**

11.2.1 The Issuer or any other Group Company may, subject to applicable regulations, at any time and at any price purchase Capital Securities on the market or in any other way.

11.2.2 Capital Securities held by the Issuer or a Group Company may at such Group Company's discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes, any Subsequent Capital Securities).

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

The Issuer may redeem all, but not some only, of the outstanding Capital Securities in full on the First Call Date or on any Interest Payment Date thereafter at an amount per Capital Security equal to 100 per cent. of the Nominal Amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

### **11.4 Voluntary redemption due to a Special Event**

Upon the occurrence of an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event which is continuing the Issuer may, subject to Clause 12 (*Preconditions to Special Event Redemption or Change of Control Event Redemption*), redeem all, but not some only, of the Capital Securities at an amount equal to:

- (a) 101 per cent. of their principal amount, where such redemption occurs before the First Call Date; or
- (b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Call Date,

together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

### **11.5 Change of Control Event**

11.5.1 Upon the occurrence of a Change of Control Event, the Issuer may, no later than the Change of Control Step-up Date, subject to Clause 12 (*Preconditions to Special Event Redemption or Change*

of *Control Event Redemption*), redeem all, but not some only, of the Capital Securities at an amount equal to:

- (a) 101 per cent. of their principal amount, where such redemption occurs before the First Call Date; or
- (b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Call Date,

together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

- 11.5.2 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Agent, the Issuing Agent and the Holders in accordance with Clause 23 (*Notices*) specifying the nature of the Change of Control Event.

## 11.6 Notice of redemption

Redemption in accordance with Clauses 11.3, 11.4 or 11.5.1 shall be made by the Issuer giving not less than thirty (30) Business Days' notice and not more than sixty (60) Business Days' notice to the Holders 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 Holder to receive the amounts due on such Redemption Date. The notice is irrevocable but may in the case of a redemption in accordance with Clause 11.3, 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 Capital Securities in full at the applicable amount on the specified Redemption Date.

## 11.7 Cancellation of Capital Securities

All Capital Securities which are redeemed pursuant to this Clause 11 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 11.2 (*Purchase of Capital Securities by Group Companies*) will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Holders, the Agent and the Issuing Agent in accordance with Clause 23 (*Notices*) of any such cancellation and for so long as the Capital Securities are admitted to trading on Nasdaq Stockholm or another Regulated Market, as the case may be, and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm or the Regulated Market, as the case may be, of the cancellation of any Capital Securities under this Clause 11.

## 12. PRECONDITIONS TO SPECIAL EVENT REDEMPTION OR CHANGE OF CONTROL EVENT REDEMPTION

- 12.1 Prior to the publication of any notice of redemption pursuant to Clause 11 (*Redemption and repurchase of the Capital Securities*) (other than redemption pursuant to Clause 11.3 (*Voluntary total redemption (call option)*)), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem the Capital Securities is satisfied.
- 12.2 In addition, in the case of an Accounting Event, a Tax Event or a Withholding Tax Event, the Issuer shall deliver to the Agent and the Issuing Agent an opinion of independent legal, accounting or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). Such certificate and, if applicable, opinion, shall be conclusive and binding on the Holders.
- 12.3 Any redemption of the Capital Securities in accordance with Clause 11 (*Redemption and repurchase of the Capital Securities*) shall be conditional on all Deferred Interest being paid in full in

accordance with the provisions of Clause 10.3 (*Mandatory settlement*) on or prior to the date of such redemption.

### **13. INFORMATION TO HOLDERS**

#### **13.1 Information from the Agent**

13.1.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 13.1.2, the Agent is entitled to disclose to the Holders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Capital Securities.

Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information.

13.1.2 If a committee representing the Holders' interests under the Terms and Conditions has been appointed by the Holders in accordance with Clause 16 (*Decisions by Holders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Holders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

#### **13.2 Information among the Holders**

Subject to applicable regulations, the Agent shall promptly upon the reasonable request by a Holder forward by post any information from such Holder to the Holders which relates to the Capital Securities. The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

#### **13.3 Availability of the Terms and Conditions**

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent. Failure by the Issuer to have these Terms and Conditions (including any document amending these Terms and Conditions) available on its website shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

### **14. ADMISSION TO TRADING ETC.**

#### **14.1 Admission to trading**

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure (i) that the Initial Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within thirty (30) days after the First Issue Date, (ii) that any Subsequent Capital Securities are admitted to trading on the corporate bond list of Nasdaq Stockholm (or, if applicable, any other Regulated Market on which the Initial Capital Securities are listed) within thirty (30) days following the relevant subsequent issue date, and (iii) that the Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon. The aforementioned shall however not apply from and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

#### **14.2 The Agency Agreement**

The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

## **15. DEFAULT AND ENFORCEMENT**

### **15.1 Proceedings**

15.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 10 (*Optional Interest Deferral*), if a default is made by the Issuer for a period of thirty (30) days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Agent (acting on instructions of the Holders in accordance with these Terms and Conditions) or (subject to Clause 21.2) any Holder may institute proceedings for an Issuer Winding-up provided that such default is still continuing.

15.1.2 In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution in accordance with Clause 16.4.2 or 16.4.3 (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 3.2.

### **15.2 Enforcement**

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

### **15.3 Extent of Holders' Remedy**

No remedy against the Issuer, other than as referred to in this Clause 15, shall be available to the Agent and the Holders in relation to the Capital Securities, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities.

## **16. DECISIONS BY HOLDERS**

### **16.1 Request for a decision**

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

16.1.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to the Terms and Conditions shall be directed to the Agent and dealt with at a Holders' 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

16.1.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Holders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.

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

- 16.1.5 Should the Agent not convene a Holders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Holder(s) requesting a decision by the Holders may convene such Holders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the convening Holder(s) with the information available in the Debt Register in order to convene and hold the Holders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Holder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 16.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Holders' Meeting in accordance with Clause 16.2 (*Convening of Holders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Holders pursuant to Clause 18.4.3, 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 Holders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Holders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 16.1.7 Should the Issuer or any Holder(s) convene a Holders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Holder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

## **16.2 Convening of Holders' Meeting**

- 16.2.1 The Agent shall convene a Holders' Meeting by way of notice to the Holders 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 Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2.2 The notice pursuant to Clause 16.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Holder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to the Terms and Conditions, such proposed amendment must always be set out in detail. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 16.2.3 The Holders' 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.
- 16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

## **16.3 Instigation of Written Procedure**

- 16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Holders 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 Holder(s) (or such later date as may be necessary for technical or administrative reasons).

16.3.2 A communication pursuant to Clause 16.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Holder in order to be entitled to exercise voting rights, (ii) 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, and (iii) the stipulated time period within which the Holder 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 16.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to the Terms and Conditions, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

16.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Holders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

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

16.4.1 Only a Holder, 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 Holder*) from a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 16.2.2, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Capital Securities are included in the Adjusted Nominal Amount. Each whole Capital Security entitles to one vote and any fraction of a Capital Security 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.

16.4.2 The following matters shall require the consent of Holders representing at least sixty-six and two thirds (66⅔) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

- (a) the issue of any Subsequent Capital Securities, if the Total Nominal Amount of the Capital Securities exceeds, or if such issue would cause the Total Nominal Amount of the Capital Securities to at any time exceed, SEK 1,500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Capital Securities are issued);
- (b) a change of Issuer;
- (c) a change to the currency, denomination, status or transferability of the Capital Securities;
- (d) a change to the Interest Rate (including, for the avoidance of doubt, changes to the Margin or STIBOR) or the Nominal Amount;
- (e) any delay of the due date for payment of any interest on the Capital Securities other than as permitted pursuant to Clause 10 (*Optional Interest Deferral*);

- (f) a reduction of the premium payable upon the redemption or repurchase of any Capital Security pursuant to Clause 11 (*Redemption and repurchase of the Capital Securities*);
  - (g) a change to the terms dealing with the requirements for Holders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*);
  - (h) an extension of the tenor of the Capital Securities or any delay of the due date for payment of any principal or interest on the Capital Securities;
  - (i) a mandatory exchange of the Capital Securities for other securities; and
  - (j) early redemption of the Capital Securities, other than as otherwise permitted or required by these Terms and Conditions.
- 16.4.3 Any matter not covered by Clause 16.4.2, including for the avoidance of doubt the initiation of an Issuer Winding-up, shall require the consent of Holders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of the Terms and Conditions that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a) or (c)).
- 16.4.4 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Holders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the person(s) who initiated the procedure for Holders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Holders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Holders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as applicable.
- 16.4.8 A Holder holding more than one Capital Security 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.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Capital Securities (irrespective of whether such person is a Holder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- 16.4.10 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Holders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Holders on a matter relating to the Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Capital Securities owned by Group Companies as per the Record Date for voting, irrespective of whether such person is a Holder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Capital Security is owned by a Group Company.
- 16.4.13 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

## **17. AMENDMENTS AND WAIVERS**

- 17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree in writing to amend or waive any provision in the Terms and Conditions or any other document relating to the Capital Securities, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Holders as a group;
  - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
  - (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority;  
or
  - (d) has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Holders.
- 17.2 Any amendments to the Terms and Conditions shall be made available in the manner stipulated in Clause 13.3 (*Availability of the Terms and Conditions*). The Issuer shall ensure that any amendments to the Terms and Conditions 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 17.1(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.
- 17.3 An amendment to the Terms and Conditions shall take effect on the date determined by the Holders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **18. THE AGENT**

### **18.1 Appointment of the Agent**

- 18.1.1 By subscribing for Capital Securities, each initial Holder appoints the Agent to act as its agent in all matters relating to the Capital Securities and the Terms and Conditions, 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 Capital Securities held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

- 18.1.2 Each Holder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 18.1.3 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 Terms and Conditions.
- 18.1.4 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 Terms and Conditions and the Agency Agreement and the Agent's obligations as Agent under the Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **18.2 Duties of the Agent**

- 18.2.1 The Agent shall represent the Holders in accordance with the Terms and Conditions.
- 18.2.2 When acting pursuant to the Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent is never acting as an advisor to the Holders or the Issuer. Any advice or opinion from the Agent does not bind the Holders or the Issuer.
- 18.2.3 When acting pursuant to the Terms and Conditions, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 18.2.4 The Agent shall treat all Holders equally and, when acting pursuant to the Terms and Conditions, act with regard only to the interests of the Holders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Terms and Conditions.
- 18.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Holders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Terms and Conditions.
- 18.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it in (i) a matter relating to the Issuer or the Terms and Conditions which the Agent reasonably believes may be detrimental to the interests of the Holders under the Terms and Conditions, and (ii) connection with any Holders' Meeting or Written Procedure, or (iii) in connection with any amendment (whether contemplated by the Terms and Conditions or not) or waiver under the Terms and Conditions.
- 18.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Terms and Conditions.
- 18.2.8 Other than as specifically set out in the Terms and Conditions, the Agent shall not be obliged to monitor (i) the performance, default or any breach by the Issuer or any other party of its obligations

under the Terms and Conditions, or (ii) whether any other event specified in the Terms and Conditions has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

- 18.2.9 The Agent shall ensure that it receives evidence satisfactory to it that the Terms and Conditions are duly authorised and executed. 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 18.2.9. Other than as set out above, the Agent shall neither be liable to the Issuer or the Holders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 18.2.10 Notwithstanding any other provision of the Terms and Conditions 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.
- 18.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 18.2.12 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under the Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement, or (ii) if it refrains from acting for any reason described in Clause 18.2.11.

### **18.3 Liability for the Agent**

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

### **18.4 Replacement of the Agent**

- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

- 18.4.2 Subject to Clause 18.4.6, 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.
- 18.4.3 A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Holders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent under debt issuances.
- 18.4.5 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 Terms and Conditions.
- 18.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) 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 (ii) the period pursuant to Clause 18.4.4 (ii) having lapsed.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Terms and Conditions but shall remain entitled to the benefit of the Terms and Conditions and remain liable under the Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under the Terms and Conditions as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, 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 Terms and Conditions 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.

## **19. THE ISSUING AGENT**

- 19.1 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 Capital Securities. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 19.2 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 Capital Securities.
- 19.3 The Issuing Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with the Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

**20. THE CSD**

- 20.1 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 Capital Securities.
- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the admission to trading of the Capital Securities on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

**21. NO DIRECT ACTIONS BY HOLDERS**

- 21.1 A Holder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions, 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 the Issuer or any Subsidiary under the Terms and Conditions. Such steps may only be taken by the Agent.
- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Holders in accordance with the Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 18.1.2), 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 Terms and Conditions or the Agency Agreement or by any reason described in Clause 18.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.12 before a Holder may take any action referred to in Clause 21.1.

**22. PRESCRIPTION**

- 22.1 The right to receive repayment of the principal of the Capital Securities shall be prescribed and become void ten (10) years from the relevant 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 Holders' right to receive payment has been prescribed and has become void.
- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Capital Securities, 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.

**23. NOTICES**

- 23.1 Any notice or other communication to be made under or in connection with the Terms and Conditions:
- (a) if to the Agent, shall be given at the address specified on its website [www.nordictrustee.com](http://www.nordictrustee.com) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;

- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Holders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Holders. A Notice to the Holders shall also be published on the websites of the Issuer and the Agent.
- 23.2 Any notice or other communication made by one person to another under or in connection with the Terms and Conditions shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1, or, in case of email, when received in readable form by the email recipient.
- 23.3 Any notice or other communication pursuant to the Terms and Conditions shall be in English.
- 23.4 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.
- 24. FORCE MAJEURE**
- 24.1 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.
- 24.2 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.
- 24.3 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.
- 25. GOVERNING LAW AND JURISDICTION**
- 25.1 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.
- 25.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
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## ADDRESSES

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### The Issuer

#### **Stendörren Fastigheter AB (publ)**

Linnégatan 87 B  
SE-115 23 Stockholm, Sweden  
Telephone: +46 (0)8-518 331 00  
[www.stendorren.se](http://www.stendorren.se)

### Joint Bookrunner and Issuing Agent

#### **Swedbank AB (publ)**

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[www.swedbank.se](http://www.swedbank.se)

### Joint Bookrunners

#### **Danske Bank A/S, Danmark, Sverige Filial**

P.O. Box 7523  
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[www.danskebank.se](http://www.danskebank.se)

#### **Nordea Bank Abp**

Satamaradankatu 5  
FI-00020 Helsinki, Finland  
[www.nordea.se](http://www.nordea.se)

### Legal Adviser

#### **Mannheimer Swartling Advokatbyrå AB**

Norrlandsgatan 21  
SE-111 43, Stockholm, Sweden  
[www.mannheimerswartling.se](http://www.mannheimerswartling.se)

### Agent

#### **Nordic Trustee & Agency AB (publ)**

Norrlandsgatan 23  
SE-111 43 Stockholm, Sweden  
[www.nordictrustee.com](http://www.nordictrustee.com)

### CSD

#### **Euroclear Sweden AB**

Klarabergsviadukten 63  
SE-101 23 Stockholm, Sweden  
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