

This prospectus was approved by the Swedish Financial Supervision Authority on 12 December 2019.

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## **SWEDAVIA AB (publ)**

**Prospectus for the admission to trading on Nasdaq Stockholm of**

**SEK 1,000,000,000**

**Subordinated Perpetual Floating Rate Callable Capital Securities**

**ISIN: SE0013486271**

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**Joint Bookrunners**

**Nordea**

**SEB**

## Important information

In this prospectus, the “**Issuer**”, the “**Company**” and “**Swedavia**” means Swedavia AB (publ). The “**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”). The “**Joint Bookrunners**” means Skandinaviska Enskilda Banken AB (publ) and Nordea Bank Abp (jointly the “**Joint Bookrunners**”).

“**Euroclear Sweden**” refers to Euroclear Sweden AB. “**Nasdaq Stockholm**” refers to Nasdaq Stockholm AB. “**SEK**” refers to Swedish kronor. “**M**” refers to million(s).

Words and expressions defined in the terms and conditions of the Capital Securities beginning on page 28 (the “**Terms and Conditions**”) have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated or otherwise follow from the context.

### Notice to investors

The Issuer issued a total of 800 subordinated perpetual floating rate callable capital securities (the “**Initial Capital Securities**”) in the Total Nominal Amount of SEK 1,000,000,000 on 26 November 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**”) provided that a consent from the Holders is obtained, pursuant to the Terms and Conditions. This Prospectus has been prepared 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.

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. The Capital Securities have not been, and will not be, registered under the United States Securities Act of 1933 or the securities laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Capital Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

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 Capital Security 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 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**”).

Each potential investor in the Capital Securities must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact the Capital Securities will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities;
- understand thoroughly the terms of the Capital Securities and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Solely for the purposes of the product governance requirements set forth in Directive 2014/65/EU (as amended, “**MiFID**”), the Joint Bookrunners (for the purposes of this and the following paragraph, the “**manufacturers**”) have made a target market assessment in respect of the Capital Securities and have concluded that the target group for the Capital Securities is: (a) *type of client*: clients that are eligible counterparties, professional clients and retail clients, each as defined in MiFID II, (b) *knowledge and experience*: clients that are (i) informed investors, having one or more of the following characteristics: average knowledge of the relevant financial products (an informed investor can make an informed investment decision based on the offering documentation, together with knowledge and understanding of the specific risk factors/risks highlighted with them only) or some financial industry experience, and (ii) advanced investors, having one, or more of the following characteristics: good knowledge of the relevant financial products and transactions or financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service, (c) *financial situation with a focus on the ability to bear losses*: clients that have the ability to bear losses of up to 100% of the capital invested in the Capital Securities, (d) *risk tolerance*: clients with a high risk tolerance and clients investing in the Capital Securities are typically willing to take more risk than deposit savings or unsubordinated debt securities and do not require a fully guaranteed income or return profile and (e) *investment objective*: clients whose investment objective is to generate growth of the invested capital and have long term investment horizon.

Furthermore, the manufacturers have made an assessment as to the negative target market and concluded that the negative target market for the Capital Securities is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile. The manufacturers have made an assessment as to the distribution strategy for the Capital Securities, and have concluded that (i) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate; and (ii) the following channels for distribution of the Capital Securities to retail clients are appropriate – investment advice, portfolio management, non-advised sales and execution services, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Capital Securities (a “**distributor**”) should take into consideration the manufacturers’ target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.

### Forward-looking statements

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.

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## RISK FACTORS

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*In this section, material risk factors are illustrated and discussed, including the Issuer's operational and industry risks, legal risks, financial risks as well as risks relating to the Capital Securities. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus. The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

### Risks relating to the Issuer

#### Risks relating to the operations and the industry

##### ***The Issuer is exposed to risks related to the economic climate and geopolitical conditions***

The Issuer is a state-owned company that owns, operates and develops a network of ten state-owned airports in Sweden. The Issuer is therefore to a significant extent dependant on demand for air transport and airport services, which, in turn, depends on the general economic climate, primarily in Sweden where the Group conducts all of its operations. Macro-economic factors that may affect demand for the Issuer's services include the rate of growth in the global economy, currency rate fluctuations, a weakening of SEK, taxes on air travel, tariffs and other global measures restricting trade, the oil price and inflation. There is a risk that a weaker economic climate, particularly in Sweden, leads to a decreased demand for the Issuer's services and has a material adverse effect on the Issuer's business, results of operations and financial position.

The global reach of the aviation industry means that it is sensitive to changes in the international political landscape, as these could quickly affect demand and conditions for air travel between different countries and regions. Recent examples include uncertainties relating to Brexit and the China-United States trade dispute. Further, the airline industry's dependence on jet fuel also results in the aviation market's sensitivity to the global oil market, which may be adversely affected by, for instance, prolonged hostilities or terrorist attacks in the Middle East or other oil-producing regions. There is a risk that geopolitical tensions impact demand of leisure and business travellers' demand for flights as well as potentially impeding airline's supply of fuel or other inputs, which would adversely affect the Group's net revenue and results of operations. Accordingly, macro-economic and geopolitical factors may significant affect the Issuer's business, financial position and results of operations.

##### ***The Issuer is exposed to decreases in passenger volumes***

Since the Issuer started conducting operations in 2010, the passenger growth has amounted to around 5 per cent. per year, and cargo volumes have also increased as a result of growing trade. However, during the fourth quarter 2018, passenger volumes at the Issuer's airports fell for the first time in many years due to a decrease in domestic travel and a slower growth rate in international travel, and in 2019, passenger volumes have continued to fall. For example, during the period January–October 2019, the Issuer's airports had 34.3 million passengers, which corresponds to a decrease by 4.2 per cent. compared the corresponding period 2018. A contributing factor to the passenger decline is arguably the ongoing climate debate with its focus on reducing air travel. There is a risk that passenger volumes maintain a slower growth rate than expected or continue to decrease as a result of the environmental impact of the air transport industry and the increasing anti-flying movement affecting passengers' travel behaviour. There is further a risk that passenger volumes are negatively affected by the Issuer's failure to identify new customer needs and, in a timely manner, find innovative and attractive solutions to such needs in line with customer expectations.

The number of passengers traveling to or from any of the Issuer's airports constitutes the basic condition for all revenue the Group generates. In 2018, 62 per cent. of the Group's total net revenue was generated from airport fees, comprising passenger and take-off charges. A change in the number of aircraft movements, aircraft tonnage and the number of passengers directly affects the Issuer's revenue. The Issuer's other revenue comes from Commercial Services, which is revenue from commercial services connected with the airport. This consists of revenue from car parking and the leasing of premises for shops, offices, restaurants and logistics, and it is thus also linked to passenger volumes. As of 31 December 2018, a change in passenger growth of 1 per cent. would have an impact on the Issuer's revenue of SEK 40 M on an annualised basis. Accordingly, since all of the Group's revenue is linked to passenger volumes, a significant decrease in passenger volumes would have a material adverse effect on the Group's business and results of operations.

### ***The Issuer is exposed to disruptions related to serious incidents as well as general business interruptions***

The occurrence of extraordinary events such as activity from volcanoes, other natural or man-made disasters or extreme weather conditions, in particular if such events occur in the Swedish airspace or otherwise in the region around any of the destinations reached from the Issuer's airports, would typically adversely affect the Issuer and its business. Should climate changes result in more extreme weather conditions in Sweden, such as more severe and frequently occurring storms, wildfires, floods and snowstorms, there is a risk that such weather conditions lead to temporary, or permanently, closure of the Issuer's airports, technical interruptions, delayed and cancelled flights, reduced handling capacity and ground transport access, which would interfere with and disrupt the Issuer's operations. For example, the volcanic ash from the Eyjafjallajökull volcano in Iceland in 2010 led to the entire Swedish airspace being shut down for a few days, as well as the majority of the European airspace, which implied that there was no air traffic from or to the Issuer's airports during that time. The disruption due to the volcanic eruption was estimated to adversely affect the Group's results by SEK 55 M. Accordingly, increased extreme weather conditions as a consequence of climate change would typically negatively affect the Issuer's business, financial condition and results of operations.

Furthermore, acts of terror, political uprisings, armed conflicts and other serious incidents, or any actual or perceived risk thereof, present a significant risk to the aviation industry as a result of consequential reduction in demand for air travel, limitations on the availability of insurance coverage, increase in insurance premiums and costs associated with additional security precautions and the imposition of flight restrictions over conflict zones. Terrorist attacks and terrorist threats occur within Europe on an irregular basis, and airports are considered a strategic important social function that are exposed to terrorist-related threats.

In order to carry out and maintain its operations, the Issuer is dependent on certain equipment, systems, utilities, and processes, which typically are vulnerable to, and can be disrupted by, among other things, equipment breakdown, internal failure, software error, physical damage, sabotage, cyberattacks or other events beyond the Issuer's or its suppliers' control. Any extensive outages or disruptions as a consequence of such events, for example, of the Issuer's equipment and systems to monitor the safety at its airports would also have a material adverse effect on the Issuer's operations. The degree to which extreme weather conditions, natural disasters, terrorist attacks and other serious incidents as well as general business interruptions may affect the Issuer is uncertain, and presents a highly significant risk to demand for travel and the Group's operations.

### ***The Issuer is dependent on maintaining its airline customers***

In 2018, the revenue from the Group's Aviation Business, which includes airport related services directed to airlines and ground handling services, amounted to approximately 62 per cent. of the Group's total revenue. The Group generates income from the Aviation Business by airport fees, comprising passenger and take-off charges. These charges are regulated and principally levied on the basis of passenger numbers, the number of flight movements and maximum total aircraft weight. Changes in the number of flight movements, total aircraft weight and passenger numbers directly affect the Issuer's net revenue, and accordingly, the Issuer is dependent on maintaining its airline customers. However, the airline industry is highly susceptible to adverse economic development. Demand for airlines' services depends to a significant extent on general economic and industry conditions, such as unemployment levels, consumer confidence and the availability of consumer and business credit. Accordingly, the airline industry tends to experience significant adverse financial results during general economic downturns. If any of the Group's important airlines customers were to face insolvency or bankruptcy, or for any other reason were to terminate their agreements the Issuer or reduce flights to and from the Issuer's airports, it would have significant negative consequences for the Group in terms of major traffic disruption and reduced traffic, which would negatively affect the Issuer's profitability. Accordingly, the loss of an important airline customer may significantly affect the Group's revenue and results of operations.

### ***The Issuer is dependent on attracting and retaining key employees***

The Issuer is dependent on being able to attract, develop, retain and incentivise employees possessing key skills with respect to, among other things, technical development, safety and security, environmental impact and working environment. For the financial year 2018, the average number of employees totalled 3,217 compared to 3,074 the year before. The change is explained by the Issuer's increased investment pace and consequently an increased need for resources in development projects for capacity and efficiency improvements at its airports, together with a continued development of the organisation through the replacement of consultants with permanent staff and an increase in operational staff due to more stringent security requirements by the European Union Aviation Safety Agency ("EASA"). If the Issuer fails to recruit and retain employees possessing the right skills, experience and values, the Issuer's airport development projects and continued development of the organisation risks being delayed or not successfully implemented, and it may be difficult to comply with more stringent security requirements, which in turn risks to adversely affect the Group's business and competitiveness.

Furthermore, to attract and retain the right personnel, the Issuer might need to increase its remuneration levels, which could adversely affect the Issuer's results of operations. In 2018, staff expenses totalled SEK 2,030 M. As of 31 December 2018, a 1 per cent. change in staff expenses would have an effect of SEK 20 M on an annualised basis. Conversely, if the Issuer were to offer excessively low remuneration levels, this might lead to employees choosing to terminate their employments, which could result in a lack of resources and competence and would adversely affect the Issuer's current and future operations.

***The Issuer is exposed to risks related to increased electricity prices or shortages of electricity***

The Issuer uses a significant quantity of electricity in its operations and is thereby exposed to risks associated with the price structure of, and access to, electricity. As of 31 December 2018, a 1 per cent. increase/decrease in the price of electricity for the unhedged volume would have affected profit by SEK 0.1 M on an annualised basis (given the then-current level of hedging). An increase in the electricity thereby adversely affects the Issuer's results of operations and profitability. In addition, there is a risk that contracts for the purchase of electricity might be terminated or renegotiated to the Issuer's disadvantage in the future, or that a shortage in the access to the Issuer arising, for example, due to delivery problems or similar events.

The price of electricity may also be adversely affected by increased grid fees and energy taxes. For example, the energy tax on electricity was increased by approximately six per cent. on 1 January 2019 from SEK 0.327 per kWh to SEK 0.347 per kWh and during the last five year period the grid fees in Sweden has increased by approximately 27 per cent. Further, the access to electricity may be adversely affected by the urbanisation, electrification and development of new industries in Sweden. These circumstances related to increased costs or decreased access to electricity may adversely affect the Issuer's costs and results of operations and profitability.

**Legal risks**

***The Issuer is exposed to environmental-related risks***

The air transport industry is subject to numerous environmental regulations and laws due to the significant environmental impact of its operations. The Issuer's primary environmental impact is greenhouse gases emissions, mostly carbon dioxide. The greatest source of the Group's emissions is exhaust gases from vehicles and the operation of terminals and other buildings. Another significant environmental impact is the discharge to land and water primarily of oxygen-consuming substances from the anti-skid treatment of runways and de-icing of aircraft. The areas in the vicinity of the airports are also exposed to aviation noise. As a consequence of its environmental impact, the Issuer's airport operations are considered as environmentally hazardous activities under the Swedish Environmental Code (*Miljöbalken*), and accordingly, the Issuer must hold environmental permits for each of its airports in order to be permitted to operate. The Issuer further carries out certain water operations related to ponds, water treatment facilities and groundwater run-off subject to permit requirements pursuant to the Swedish Environmental Code. As of 31 December 2018, the Issuer was responsible for eight airports that require an environmental permit under the Swedish Environmental Code. For the other two airports, Luleå Airport and Ronneby Airport, the Swedish Armed Forces (*Försvarsmakten*) was responsible for the environmental permits. If the Issuer would fail to obtain required permits, or, to a significant extent, violates terms in permits, it could jeopardise the Group's ability to conduct its operations at the airports in question.

In addition, the Issuer may be held liable to investigate and rectify contamination and emissions at the Group's airports and on property owned or previously owned by the Group, irrespective of whether the Issuer has caused the contamination or whether the operation which caused the contamination was lawful at the time the contamination occurred. The Issuer may also be subject to claims from public authorities, private individuals, companies or other parties who request compensation for alleged personal injury, property damage or damage to nature caused by contamination or hazardous substances resulting from the Issuer's airport operations. The degree to which environmental risks may affect the Issuer is uncertain and presents a highly significant risk to the Group's operations.

***The Issuer is exposed to risks related to legal and administrative procedures***

The Issuer's airport operations are primarily regulated by, among others, the Swedish Environmental Code, Swedish Civil Aviation Act, Swedish Civil Aviation Security Act, Swedish Aerodrome Ground Services Act and Swedish Act on Airport Charges. In addition, the Issuer has to comply with numerous other Swedish and European laws and regulations. Accordingly, the Issuer is, and may in the future be, a party to ongoing litigations and disputes as either plaintiff or defendant, or subject of investigations from public authorities. Disputes usually relate to claims arising in the ordinary course of business and, consequently, legal proceedings primarily occur in relation to construction contracts, rental contracts, other business contracts and procurement. Investigations from public authorities occur primarily in relation to aviation law, competition law and environmental law.

To comply with the Act on Public Procurement of Concessions (*Lag om upphandling av koncessioner*) the Issuer is in the process of terminating certain of its commercial rental agreements in order for the business in the commercial premises to be procured. The Issuer is currently involved in a dispute with respect to some of these terminations where the tenant claims damages because of the termination. Although the Issuer's assessment is that the likelihood for a negative outcome is low, the result of the dispute remains uncertain. However, if the outcome is negative for the Issuer, this could potentially result in other tenants whose rental agreements are terminated initiating similar civil proceedings. If an unfavourable decision were to be made against the Issuer in several of such potential disputes, there is a risk that this would materially adversely affect the Group's results of operations and financial position.

It may be difficult to foresee the risk, or possible outcome, of litigations, disputes and matters, some of which may be unfavourable for the Issuer and materially adversely affect the Group's results of operations and financial position. In such cases, the Issuer risks to incur significant costs and there is a risk that the measures taken to protect against the impact of such costs may be insufficient. Adverse publicity in connection with legal proceedings further risks to damage the Issuer's reputation. Legal and administrative proceedings are unpredictable in nature, and there is a risk that the actual outcome may differ from the assessments that the Issuer has made. The degree to which legal and administrative procedures may affect the Issuer is uncertain, and presents a highly significant risk to the Issuer's business, results of operations and financial position.

### ***The Issuer is exposed to tax-related risks***

The Issuer is exposed for taxes relating to, among others, company tax, real estate tax and energy tax. There is a risk that the Issuer's understanding and interpretation of tax laws, tax treaties and other provisions is not correct in all respects. In 2018, the Issuer's tax expenses totalled SEK 126 M, with an effective tax rate of 19.6 per cent. There is a risk that the Issuer's prior or present tax position may change as a result of decisions of tax authorities or changes in tax laws and regulations, possibly with retroactive effect, which may have an adverse effect on the Issuer's results of operations and financial position.

The aviation industry is further subject to extensive taxes, and increased taxes or policy decisions relating to the aviation industry could result in higher fares for passengers and declined demand for air travel. For example, in 2018, a Swedish national aviation tax, imposing a distance based tax on air travels with take-off in Sweden was introduced. The effects of the aviation tax have not yet been fully evaluated, but it has led to higher fares for passengers and probably suppressed demand for air travel. The degree to which taxes or policy decisions relating to the aviation industry may affect the Issuer is uncertain, and presents a significant risk to the Issuer's results of operations and financial position.

## **Financial risks**

### ***The Issuer is exposed to interest rate risks***

Interest rate risk refers to the risk of a negative effect on results and cash flow in the event of a lasting change in the market rate, which primarily affects the Issuer's interest expenses through changed borrowing costs. As of 31 December 2018, the Issuer had external borrowings of SEK 8,363 M, which was 42 per cent. of the balance sheet. As of 31 December 2018, an increase in interest rates of 1 percentage point would have increased the Issuer's interest expense by SEK 22.5 M, which means that operating profit would decrease by the same amount. Current lock-in periods and financial instruments are taken into account in calculating the sensitivity analysis. Increased market rates that, to a significant extent, affect the Issuer's interest costs would have a material adverse effect on the Group's results of operations and financial position.

Further, interest changes also affect the Issuer's pension liability. As of 31 December 2018, the Group's provisions for pensions amounted to SEK 765 M. The Issuer's calculation of provisions for pensions are based on a number of assumptions. One of the most critical assumptions for the calculation is the discount rate which is based on the market rate, and should the market rate decrease, the provisions for pensions would increase. Accordingly, a decrease in the market rate would probably imply that the Issuer must add funds to its provisions for pensions, which would adversely affect the Issuer's expenses and results of operations.

### ***The Issuer is exposed to credit risks***

Credit risk refers the risk of losses if counterparties fail to perform their obligations. The Issuer's maximum exposure to credit risks corresponds to the book value of financial assets, including derivatives with a positive market value, which on 31 December 2018 amounted to SEK 939 M, of which SEK 575 M related to trade receivables (of which SEK 54 M had fallen due). If the Issuer is unable to collect its trade receivables, it risks having a material adverse effect on its results of operations and financial position.

The exposure to credit risks, in addition to the Issuer's trade receivables, arises when the Group invests liquid assets as well as in the form of counterparty risks when the Group enters into an agreement on financial instruments with banks. There is also a risk that the measures taken to offset the Issuer's credit risks are

insufficient or ineffective, and that the Group fails to implement and manage any hedging arrangement, which risks to have a material adverse effect on its results of operations and financial position.

### ***The Issuer is exposed to liquidity and refinancing risks***

Liquidity risk refers to the risk of not having access to cash and cash equivalents or undrawn lines of credits in order to perform payment obligations. Refinancing risk refers to the risk that refinancing of the Group's capital requirements and outstanding borrowings is rendered more difficult or more expensive.

There is a risk that the Issuer is unable to repay debts as they fall due (the average maturity on the Issuer's borrowings on 31 December 2018, was 2.7 years), as a result of, among other things, the Group being unable to generate sufficient cash flows from operating activities. The ability to secure capital financing through loans on favourable terms or at all depends on number of factors beyond the Issuer's control, including conditions prevailing at the time on the international credit and capital markets. The Issuer's ability to sell assets (insofar as it is permitted pursuant to terms in loan agreements) and to use the revenues to repay maturing debts also depends on factors beyond the Issuer's control, including there being willing buyers and the value of the assets. If the Issuer fails to repay its existing or future debts, to renew or refinance existing or future credit facilities on acceptable terms or at all, or to perform existing financial obligations, this would have a material adverse effect on the Group's liquidity, results of operations and financial position. The degree to which liquidity and refinancing risks may affect the Issuer is uncertain and presents a significant risk to the Group's liquidity and financial position.

### ***The Issuer is exposed to exchange rate risks***

Exchange rate risk is defined as the risk that movements in currency prices will have a negative impact on the Group's profit, financial position and/or cash flow. The Group's reporting currency is SEK, but the Issuer generates income and purchasing costs in a number of currencies, which exposes the Group to currency risks and exchange rate fluctuations that affect the Group's operating profit. The currencies to which the Issuer is primarily exposed are EUR and USD.

The Issuer is also exposed to risks where suitable hedge instruments for the types of risk to which the Group is exposed are not available at a reasonable cost or at all. In addition, there are risk related to the use of such hedging instruments, for example that the Issuer does not have the possibility to use favourable exchange rate conversions. Hedging may thus lead to large losses. These losses may arise for various reasons, for example a counterparty failing to perform its obligations under an applicable hedging agreement, shortcomings in the agreement, or non-compliance with the Issuer's internal hedging policies and procedures, or such policies and procedures failing to function as they should. The degree to which exchange rate risks may affect the Issuer is uncertain and presents a significant risk to its results of operations and financial position.

### ***The Issuer is exposed to risks relating to changes in accounting standards***

The Issuer prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") as adopted by the EU. Future changes in IFRS or IAS may lead to significant changes in the reported financial statements of the Issuer.

The Capital Securities are treated as equity pursuant to *IAS 32 Financial Instruments*, and consequently, the Capital Securities will not be accounted for as financial liabilities. However, in June 2018, the International Accounting Standard Board (the "IASB") published the discussion paper "Financial Instruments with Characteristics of Equity" (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, likely lead to financial instruments such as the Capital Securities being classified as financial liabilities rather than equity. The IASB will during the fourth quarter 2019 decide on the direction of the project regarding the potential changes to the accounting standards. The changes proposed in the Discussion Paper and regarding the classification of the Capital Securities risk having an adverse effect on the Issuer's financial condition and the amount of financial liabilities. Further, if the Capital Securities are classified as financial indebtedness it would lead to the occurrence of an Accounting Event (see "*Redemption of the Capital Securities*" below).

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

### **Risks 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, there is a risk that the Issuer does not have enough assets remaining after these payments to pay amounts due under the Capital Securities, which presents a significant risk for a single Holder.

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 will be, partly or completely, written-off, resulting in Holders not recovering their 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 significant risk that a Holder of 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.

***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. In addition, 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, presents a risk that the Holders do not recover their investments in Capital Securities.

Furthermore, whilst the Holders 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.

***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.

Holders are thus 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). Accordingly, there is a risk that Holders may lose the whole, or parts of, their investment in the event the Issuer chooses to not redeem the Capital Securities.

***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 any Interest Payment, in whole or in part, 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, and risks leading to the Holders not receiving a return on their investment.

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 condition. The degree to which the market price of the Capital Securities may vary is uncertain and presents a significant risk to the value of, and the possibility to trade, the Capital Securities.

### ***Redemption of the Capital Securities***

Upon the occurrence of an Accounting Event, a Substantial Repurchase Event, a Tax Event, a Withholding Tax Event, or a Change of Control 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 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 is not 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.

### **Risks relating to the admission of the Capital Securities to trading**

#### ***There has been no active trading market for the Capital Securities and an established trading market for the Capital Securities may not develop***

Pursuant to the Terms and Conditions, the Issuer shall use its best efforts (without assuming any legal or contractual obligation) to apply for the Capital Securities to be admitted to trading on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) but there is a risk that such application will not be accepted or that the Capital Securities will not be so admitted. A failure to obtain such listing risks having a negative impact on the market value of the Capital Securities.

Prior to any admission to trading, there has been no public market for the Capital Securities. Even if a listing will occur, there is a risk that an active trading market for the Capital Securities will not evolve or, if evolved, will not be sustained. The nominal amount of the Capital Securities may not be indicative of their market value after being admitted for trading on Nasdaq Stockholm (or another Regulated Market). Furthermore, following a listing of the Capital Securities, the liquidity and trading price of the Capital Securities may vary substantially as a result of numerous factors, including market fluctuations and general economic conditions and irrespective of the performance of the Issuer and the Group. Capital Securities may be acquired by the Issuer and subsequently be 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). The degree to which the liquidity and the trading price of the Capital Securities may vary is uncertain, and risks leading to the Holders not recovering their investments in the Capital Securities. In addition, transaction costs in any secondary market may be high, which also presents a risk to the Holders not recovering their investments in the Capital Securities.

Therefore, Holders may not be able to sell their Capital Securities at the desired time or at a price level that will provide them with a yield comparable to similar investments that have a developed secondary market. Accordingly, the purchase of Capital Securities is suitable only for Holders who can bear the risks associated with a lack of liquidity in the Capital Securities and the financial and other risks associated with an investment in the Capital Securities. The degree to which the market value of the Capital Securities may vary is uncertain, and presents a significant risk for Holders' investment in the Capital Securities.

Further, if the Issuer fails to procure listing in time, Holders holding Capital Securities on an investment savings account (*investeringssparkonto*) will no longer be able to hold the Capital Securities on such account and, thus, presents a significant risk to such Holder's tax situation.

### **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) entered into force on January 1, 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 applicable 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 risks leading to costly and time consuming discussions (and maybe even disputes) in respect of the matter, which in each case risks having an adverse effect on the Capital Securities, the Issuer and/or the Holders.

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

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*This section is only intended to serve as an introduction to the Capital Securities. Any decision to invest in 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 28 in this Prospectus.*

### **The Capital Securities**

The Initial Capital Securities have a Nominal Amount of SEK 1,250,000 each and are denominated in SEK. The aggregate nominal amount of the Initial Capital Securities is SEK 1,000,000,000. In total, 800 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 2.4 of the Terms and Conditions. This Prospectus is prepared solely for the admission to trading of the Initial Capital Securities on Nasdaq Stockholm (or any other Regulated Market), if Subsequent Capital Securities are issued, a new prospectus will be prepared for the admission to trading of such Subsequent Capital Securities.

The maximum aggregate nominal amount of the Capital Securities may not exceed SEK 1,000,000,000 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 SE0013486271. 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 dematerialized book-entry form and registered on a Securities Account (*värdepapperskonto*) on behalf of the relevant Holder. Hence, no physical securities have been issued. The Capital Securities are registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (*lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) 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 (*ensidig skuldförbindelse avsedd för allmän omsättning*) as set out in Chapter 1, section 3 of the Central Securities Depositories and Financial Instruments Accounts Act.

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 Issuer 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 Company Reorganization Act (*lagen (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 26 November 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. Capital Securities are not redeemable at the option of the Holders at any time.

### **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, canceled 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 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 an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax 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*) of the Terms and Conditions, 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 (*Precondition to Special Event Redemption or Change of Control Event Redemption*) of the Terms and Conditions, 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 (call option)*), 11.4 (*Voluntary Redemption due to an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event*) or 11.5 (*Change of Control Event*) of the Terms and Conditions shall be made by the Issuer giving not less than 30, and not more than 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 (*Notice of redemption*) of the Terms and Conditions.

### **Cancellation of Capital Securities**

All Capital Securities which are redeemed pursuant to Clause 11 (*Redemption and repurchase of the Capital Securities*) of the Terms and Conditions and all Capital Securities purchased and elected to be cancelled pursuant to Clause 11.7 (*Cancellation of Capital Securities*) of the Terms and Conditions will be cancelled and may not be reissued or resold.

See further in Clause 11.7 (*Cancellation of Capital Securities*) 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 the person whom 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 (*Payments in respect of the Capital Securities*) of the Terms and Conditions.

## Interest, default interest and deferral interest

### Interest

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

Interest accrues during an Interest Period. Subject to Clause 10 (*Optional Interest Deferral*) 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).

The applicable Margin is:

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the First Call Date, 1.50 per cent. *per annum*; and
- (b) in respect of the period from (but excluding) any Reset Date, the Margin applicable for the period to (and including) such Reset Date increased by 500 basis points *per annum*.

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

Notwithstanding any other provision of Clause 9 (*Interest*) 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 (*Interest*) 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 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 11.8 (*Cancellation of Capital Securities*)) of the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the relevant 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 capitalized 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, on any Interest Payment Date (except on an 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*) of the Terms and Conditions not less than seven 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 (*Optional Interest deferral*) 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 STIBOR 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 Nasdaq Stockholm (or, if applicable, any other 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 500,000.

## 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 (*Decisions by Holders*) 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 reorganization (*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

capitalized 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 District 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**

Skandinaviska Enskilda Banken AB (publ), Swedish Corporate ID. 502032-9081, Kungsträdgården 8, SE-106 40 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 and investments.

## DESCRIPTION OF SWEDAVIA AB (PUBL)

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### Business

The Company, Swedavia AB (publ), has been Sweden's state airport group since 1 April 2010, when the Swedish Civil Aviation Administration (*Luffartsverket*) was divided into two parts: the airports and the air traffic service. The background to the Swedish Parliament's decision is the different business conditions that apply to each business. For Swedavia, the incorporation creates better business opportunities. The corporate form has a regulatory system that is adapted for companies that act in a commercial environment, it provides the conditions for a faster decision-making process and facilitates collaboration with other parties.

Swedavia is wholly owned by the Swedish state. Swedavia has the mission to operate and develop the ten airports that are part of the national basic supply and to contribute to good accessibility for Sweden and the country's regions. Swedavia's role is to create the accessibility that Sweden needs to facilitate travel, business and meetings – within Sweden, Europe and the world. Safety and sustainable development with the customer in focus is the starting point for everything Swedavia does, both in its own operations and in society at large. Together with its partners, Swedavia creates added value for its customers by offering attractive airports and accessibility that provide smooth and inspiring travel experiences. Swedavia's airports should be Scandinavia's most important meeting places, the Company must be an international model in sustainability and a growth engine for all of Sweden. Swedavia is a world leader in the development of airports with the lowest possible climate impact.<sup>1</sup>

In 2018, the Group had revenue of just over SEK 5,900 M and had approximately 3,200 employees.

### January–September 2019 in brief

- During the first nine months of the year, Swedavia's airports had 30.8 million (32.1) passengers, which is a 4.2 per cent. decrease compared to the previous year.
- Net revenue totalled SEK 4,671 M (4,424).
- Operating profit was SEK 721 M (666) and profit for the period was SEK 645 M (533). Profit for the period was positively affected by SEK 102 M (55) attributable to the capital gain from the sale of the Company's holding in an associated company. Operating profit for the first nine months of the year was negatively impacted by restructuring costs of SEK 54 M attributable to cost reduction and change programme decided in December 2018.
- Investments for the Group during the first nine months of the year totalled SEK 2,421 M (2,267).
- The transition to IFRS 16 Leasing agreements resulted in an increase in operating profit by SEK 14 M. Due to the introduction of the new standard, the debt/equity ratio increased by 0.1 times.
- In December 2018, a new group organisational structure for Swedavia was decided, which was implemented on 1 January 2019. The new organisation will help ensure that Swedavia has the conditions needed to gradually change working methods, be more result- and process-oriented and create better potential to realise the company's strategies.
- As a result of a cost reduction and change programme, on 15 January 2019, Swedavia notified the Swedish public employment agency (*Arbetsförmedlingen*) that it would lay off employees. A total of 125 full-year equivalent employees were affected, both in the corporate units and at Swedavia's airports.
- In March 2019, Swedavia's Board of Directors made an implementation decision concerning the construction of a new pier and expanded marketplace as well as a new central security checkpoint for all passengers in Terminal 5 at Stockholm Arlanda. The implementation is part of Stockholm Arlanda's development programme for 2016–2025, which includes total investments of SEK 17,300 M.
- In late April/early May 2019, pilots at Scandinavian Airlines System (SAS) went on strike. The dispute lasted for seven days, from 26 April 2019 to 2 May 2019, and had an impact on traffic at all Swedavia's airports.
- In September 2019, Swedavia divested its 50 per cent. holding in Landvetter Logistics Center. The buyer was the Company's partner Bockasjö, which is now the sole owner of the company. The divestment resulted in a capital gain of SEK 102 M.

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<sup>1</sup> Swedavia owns 10 of the world's 49 accredited airports according to the highest level of Airport Carbon Accreditation ("ACA"). Behind the ACA accreditation programme is the organisation ACI Europe, ACI Asia-Pacific and the consulting firm WSP Environment & Energy.

**2018 in brief**

- During the full year 2018, Swedavia's airports had 42.0 million (41.9) passengers, an increase of 0.2 per cent.
- Net revenue totalled SEK 5,922 M (5,745).
- Operating profit amounted to SEK 682 M (651) and profit for the period amounted to SEK 517 M (407). Profit for the period was negatively affected by SEK 84 million (160) attributable to impairment losses and disposals. Operating profit in 2018 was positively affected by an earnout of SEK 55 M attributable to the sale of Säve airport.
- During the year, investments totalled SEK 3,195 M (3,866). The rate of investment in development programs remains high.
- The Board of Directors proposes that Swedavia AB brings forward the retained earnings for 2018.
- In 2018, 41 routes were launched at Swedavia's airports, which contributes to even better access. The last route added during the year was between Göteborg Landvetter Airport and Doha, Qatar, which is Swedavia's first long-haul route from western Sweden.
- 8 May 2018 was the official start of the Terminal Expansion North project, which means that construction is now under way on both the north and south sides of the terminal at Göteborg Landvetter.
- At Stockholm Arlanda Airport, a new apron with new aircraft parking stands was inaugurated at Terminal 2 on 28 May 2018. Passengers and baggage are handled in other terminals, and buses transport passengers to and from the apron.
- On 6 July 2018, Swedavia signed an agreement to sell the property at Göteborg Landvetter Airport on which a future hotel is under construction to Midstar Fastigheter AB. The capital gain on the sale is estimated to be around SEK 140 M, and the hotel is expected to open during the first quarter of 2021.
- In 2018, Swedavia signed an agreement with Securitas for the company to be the new security services contractor at Göteborg Landvetter Airport beginning 1 May 2019. Göteborg Landvetter Airport was formerly Swedavia's only big airport whose security operations were managed under Swedavia's auspices

**2017 in brief**

- A total of 41.9 million passengers travelled via one of Swedavia's airports in 2017, an increase of 6.1 per cent.
- Net revenue totalled SEK 5,745 M (5,546).
- Operating profit was SEK 651 M (966).
- Profit for the period was SEK 407 M (717).

**The Issuer**

Swedavia AB (publ), corporate registration number 556797-0818 and LEI code 529900ZERGNJBQEX179, based in Sigtuna Municipality, Sweden, is a Swedish public limited company governed by the Swedish Companies Act. The Company was incorporated in Sweden on 1 April 2010. The Company's website is [www.swedavia.se](http://www.swedavia.se). The information on the Issuer's website, and on any other website being referred to in this Prospectus, does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority.

*Address*

Swedavia AB (publ)  
SE-190 45 Stockholm-Arlanda, Sweden  
Visiting address: Flygvägen 1

*Telephone and fax*

Tel +46 (0)10 109 00 00  
Fax: +46 (0)10 109 05 00

**Legal structure of the Group**

Swedavia is the parent company in the Group and has three subsidiaries; Swedavia Real Estate AB, Arlanda Development Company AB and Bromma Stockholm Airport Fastigheter AB. All subsidiaries are 100 per cent.

owned as of the date of this Prospectus. Swedavia Real Estate AB is in turn the parent company of a property group. In addition, Swedavia has an associated company through Swedavia Real Estate AB; Swedish Airport Infrastructure AB, which is a strategic collaboration in the form of joint venture together with the occupational pension provider Alecta, which means that it is a jointly owned company where Swedavia does not have a controlling interest. There is an officer from Swedavia's executive management on the Board of every subsidiary and associated company in the Group.

The parent company's operations consist of group-wide functions, an organisation for the management of the subsidiaries. Most of the borrowing takes place in the parent company.

## Principal shareholder

All shares in the Company are held by the Swedish state. The state ownership in Swedavia is managed by the Ministry of Enterprise and Innovation (*Näringsdepartementet*).

## Share capital

The Company's share capital amounts to SEK 1,441,403,026 divided into 1,441,403,026 shares with a quotient value of SEK 1 per share. The Company has only one class of shares. The principal property of the shares is to give holders the right to a share of the Company's equity and the right to vote at the General Meeting, where each share gives right to dividend and one vote.

## Certain financial information

In the following, certain financial information regarding the Group is presented. The financial information pertaining to the financial years 2017 and 2018 has been derived from the Group's Annual Reports for the financial years 2017 and 2018, respectively (incorporated by reference to this Prospectus). The financial information pertaining to the financial years 2014, 2015 and 2016 has been derived from the Group's Annual Reports for the financial years 2014, 2015 and 2016, respectively.<sup>2</sup> The financial information pertaining to the interim periods January–September and July–September 2019 (including comparative figures for the interim periods January–September and July–September 2018) has been derived from the Group's interim report for the period January–September 2019 (incorporated by reference to this Prospectus). The financial information pertaining to the interim periods January–March and April–June 2019 (including comparative figures for the interim periods January–March and April–June 2018) has been derived from the Group's interim reports for the periods January–March and April–June 2019, respectively.<sup>3</sup>

For additional information, please refer to "Incorporation by reference" in "Legal considerations and supplementary information".

## Return on operating capital, debt/equity ratio and investments

	Jan–Sep 2019	Jan–Sep 2018	2018	2017	2016	2015	2014
Return on operating capital, %	4.9	3.9	4.6	5.1	8.5	14.1	10.1
Debt/equity ratio, times	1.3	1.1	1.1	1.0	0.7	0.7	1.4
Investments, SEK M	2,421	2,267	3,195	3,866	2,138	1,120	924

## EBITDA margin

	Jan–Sep 2019	Jan–Sep 2018	Jul–Sep 2019	Jul–Sep 2018	Apr–Jun 2019	Apr–Jun 2018	Jan–Mar 2019	Jan–Mar 2018	2018	2017
EBITDA margin, %	34.7	32.0	42.3	38.8	36.1	35.5	25.0	21.0	30.1	29.6

## Key metrics, the Group

SEK M, unless otherwise indicated	Jan–Sep 2019	Jan–Sep 2018	2018	2017
Net revenue	4,671	4,424	5,922	5,745
Operating profit	721	666	682	651
Operating profit excluding restructuring costs, capital gains, impairment losses and disposals	775	611	711	811
Operating margin, %	15.4	15.1	11.5	11.3
Operating margin excluding restructuring costs, capital gains, impairment losses and disposals, %	16.6	13.8	12.0	14.1

<sup>2</sup> The Group's Annual Reports for the financial years 2014, 2015 and 2016 are available on Swedavia's website, <https://www.swedavia.com/about-swedavia/financial-information/>.

<sup>3</sup> The Group's interim reports for the relevant periods are available on Swedavia's website, <https://www.swedavia.com/about-swedavia/financial-information/>.

SEK M, unless otherwise indicated	Jan-Sep 2019	Jan-Sep 2018	2018	2017
Profit for the period	645	533	517	407
Return on operating capital, %	4.9	3.9	4.6	5.1
Return on operating capital excluding restructuring costs, capital gains, impairment losses and disposals, %	5.1	4.5	4.7	6.2
Debt/equity ratio, times	1.3	1.1	1.1	1.0
Investments	2,421	2,267	3,195	3,866
Average number of employees	3,132	3,191	3,217	3,074
Passengers, million	30.8	32.1	42.0	41.9
Operating costs per departing passenger, SEK <sup>1</sup>	201.9	193.0	200.7	197.3
Commercial revenues per departing passenger, SEK	80.0	74.3	75.2	75.7

<sup>1</sup> The key metric operating costs per departing passenger is calculated excluding restructuring costs since 31 March 2019. Comparative periods have been adjusted.

## Definitions and explanations

Key metric	Definition	Explanation
Average number of employees	The average number of employees is calculated based on hours worked restated as the total number of hours worked divided by the normal working time as defined by the Swedish Accounting Standards Board.	A metric that is used to facilitate the understanding of the number of full-time jobs during a certain period.
Commercial revenues per departing passenger	Revenue from retail, food & beverage and from car parking and parking facilities divided by the number of departing passengers for the same period.	A metric that the Group considers crucial for monitoring changes in commercial revenue.
Debt/equity ratio	Net liabilities (interest-bearing liabilities plus pension liability, less the special employee pension tax, less liquid assets) divided by equity.	This financial ratio is what the owner uses as a capital structure or gearing target for the Group. The metric is considered to be directly linked to the Group's actual funding and financial risk. The Company considers this alternative performance measure relevant for investors and other stakeholders who wish to create an image of the Company's capital structure.
EBITDA margin	Operating profit (EBIT) before depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets as a percentage of net revenue.	EBITDA margin is used to measure the operating activities before depreciation/amortisation and impairment losses.
Investments	Swedavia's investments in tangible fixed assets and intangible non-current assets including investment projects in progress.	Swedavia is in an intensive development phase and its pace of capital spending is important to Swedavia's management and external stakeholders. This metric is used to facilitate an assessment of the resources used by the Company for investments in tangible fixed assets and intangible non-current assets including investment projects in progress.
Operating costs per departing passenger	Total of Airport Operations' external expenses and staff expenses less the Company's own capitalised work divided by the number of departing passengers for the same period.	A metric that Swedavia considers crucial for monitoring improvements in cost-effectiveness.
Operating margin	Operating profit as a percentage of net revenue.	Operating margin is used to measure the operating activities.
Operating margin excluding restructuring costs, capital gains, impairment losses and disposals	Operating profit excluding restructuring costs, capital gains, impairment losses and disposals as a percentage of net revenue.	A metric that is considered to provide a better understanding of the development of the operating activities.
Operating profit	The difference between operating revenue and operating costs.	A metric that is used to measure operating profitability.
Operating profit excluding restructuring costs, capital gains, impairment losses and disposals	Operating profit excluding restructuring costs, capital gains, impairment losses and disposals.	A metric that is crucial since it is considered to provide a better understanding of the operating profit trend.
Return on operating capital	Operating profit for a rolling 12-month period plus profit from holdings in associated companies for a rolling 12-month period divided by average operating capital (the closing balance of operating capital (equity plus net liabilities) on the balance sheet date plus the closing balance of operating capital on the balance sheet date for the previous year divided by two).	This financial ratio is the owner's metric for profitability at Swedavia and one of the Group's sustainability targets. The metric reflects the Group's cost of capital. This alternative performance measure is used to facilitate an assessment of the Group's cost of capital between different periods.
Return on operating capital excluding restructuring costs, capital gains, impairment losses and disposals	Operating profit excluding restructuring costs, capital gains, impairment losses and disposals for a rolling 12-month period plus profit from holdings in associated companies for a rolling 12-month period divided by average operating capital (the closing balance of operating capital (equity plus net liabilities)	This financial ratio for profitability is considered to provide a better understanding of the Group's cost of capital based on operating profit from operations.

Key metric	Definition	Explanation
	on the balance sheet date plus the closing balance of operating capital on the balance sheet date for the previous year divided by two)	

### Reconciliation of alternative performance measures, the Group

SEK M, unless otherwise indicated	Jan–Sep 2019	Jan–Sep 2018	2018	2017	2016	2015	2014
<b>Operating profit</b>	<b>721</b>	<b>666</b>	<b>682</b>	<b>651</b>	<b>966</b>	<b>1,755</b>	<b>1,405</b>
<i>Restructuring costs<sup>1)</sup></i>	<i>54</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>9</i>	<i>–</i>
<i>Capital gains<sup>2)</sup></i>	<i>–</i>	<i>-55</i>	<i>-55</i>	<i>–</i>	<i>-241</i>	<i>-938</i>	<i>-347</i>
<i>Impairment losses and disposals<sup>3)</sup></i>	<i>–</i>	<i>–</i>	<i>84</i>	<i>160</i>	<i>31</i>	<i>–</i>	<i>57</i>
<b>Operating profit excluding restructuring costs, capital gains, impairment losses and disposals</b>	<b>775</b>	<b>611</b>	<b>711</b>	<b>811</b>	<b>756</b>	<b>826</b>	<b>1,115</b>
Net revenue	4,671	4,424	5,922	5,745	5,546	5,416	5,384
<b>Operating margin, %</b>	<b>15.4</b>	<b>15.1</b>	<b>11.5</b>	<b>11.3</b>	<b>17.4</b>	<b>32.4</b>	<b>26.1</b>
<b>Operating margin excluding restructuring costs, capital gains, impairment losses and disposals, %</b>	<b>16.6</b>	<b>13.8</b>	<b>12.0</b>	<b>14.1</b>	<b>13.6</b>	<b>15.3</b>	<b>20.7</b>
Equity*	8,500	8,113	8,066	7,665	7,351	6,863	5,571
Net liabilities*	11,079	8,740	9,195	7,290	4,896	4,710	7,991
<b>Operating capital<sup>4)</sup></b>	<b>19,579</b>	<b>16,853</b>	<b>17,261</b>	<b>14,955</b>	<b>12,247</b>	<b>11,573</b>	<b>13,562</b>
Closing balance of operating capital on the balance sheet*	19,579	16,853	17,261	14,955	12,247	11,573	13,562
Closing balance of operating capital on the balance sheet for the previous year*	16,853	14,156	14,955	12,247	11,573	13,562	14,336
<b>Average operating capital<sup>4)</sup></b>	<b>18,206</b>	<b>15,504</b>	<b>16,108</b>	<b>13,601</b>	<b>11,910</b>	<b>12,567</b>	<b>13,949</b>
Operating profit (rolling 12-months)	737	543	682	651	966	1,755	1,405
Operating profit excluding restructuring costs, capital gains, impairment losses and disposals (rolling 12-months)	770	648	711	811	756	826	1,115
Profit from holding in associated companies	158	55	53	37	41	22	–
Average operating capital	18,206	15,504	16,108	13,601	11,910	12,567	13,949
<b>Return on operating capital, %</b>	<b>4.9</b>	<b>3.9</b>	<b>4.6</b>	<b>5.1</b>	<b>8.5</b>	<b>14.1</b>	<b>10.1</b>
<b>Return on operating capital excluding restructuring costs, capital gains, impairment losses and disposals, %</b>	<b>5.1</b>	<b>4.5</b>	<b>4.7</b>	<b>6.2</b>	<b>6.8</b>	<b>6.9</b>	<b>7.9</b>
Interest-bearing liabilities <sup>5)</sup>	10,511	8,013	8,440	6,618	4,263	3,951	7,296
Pension liability <sup>6)</sup>	793	739	765	730	803	765	807
Liquid assets*	225	12	10	58	170	6	112
<b>Net liabilities<sup>4)</sup></b>	<b>11,079</b>	<b>8,740</b>	<b>9,195</b>	<b>7,290</b>	<b>4,896</b>	<b>4,710</b>	<b>7,991</b>
Net liabilities*	11,079	8,740	9,195	7,290	4,896	4,710	7,991
Equity*	8,500	8,113	8,066	7,665	7,351	6,863	5,571
<b>Debt/equity ratio, times<sup>4)</sup></b>	<b>1.3</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>0.7</b>	<b>0.7</b>	<b>1.4</b>

<sup>1)</sup> For the period January–September 2019, the restructuring costs related to employee turnover. For the financial year 2015, the restructuring costs related to dismissal of the CEO.

<sup>2)</sup> For the period January–September 2018 and the financial years 2018, 2016 and 2014, the capital gains related to divestment of subsidiaries. For the financial year 2015, the capital gains related to divestment of subsidiaries and real property.

<sup>3)</sup> For the financial year 2018, the impairment losses and disposals primarily related to IT systems. For 2017, the impairment losses and disposals primarily related to building equipment and IT systems. For the financial year 2016, the impairment losses and disposals related to impairment in connection with investments. For the financial year 2014, the impairment losses and disposals related to impairment of holdings in group companies and building value.

<sup>4)</sup> For the period January–September 2019, profit from holding in associated companies includes capital gains related to divestment of holding in associated companies.

<sup>5)</sup> As of 2018, “Interest-bearing liabilities” includes the balance sheet items non-current and current interest-bearing liabilities and non-current and current lease liabilities. Comparative figures have been adjusted.

<sup>6)</sup> The figures are offset in the Group.

\* Calculated as of the last day of the period.

SEK M, unless otherwise indicated	Jan–Sep 2019	Jan–Sep 2018	Jul–Sep 2019	Jul–Sep 2018	Apr–Jun 2019	Apr–Jun 2018	Jan–Mar 2019	Jan–Mar 2018	2018	2017
<b>Operating profit (EBIT)</b>	<b>721</b>	<b>666</b>	<b>373</b>	<b>335</b>	<b>278</b>	<b>274</b>	<b>70</b>	<b>58</b>	<b>682</b>	<b>651</b>
<i>Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets</i>	<i>900</i>	<i>751</i>	<i>304</i>	<i>252</i>	<i>298</i>	<i>262</i>	<i>298</i>	<i>237</i>	<i>1,103</i>	<i>1,052</i>
<b>EBITDA</b>	<b>1,621</b>	<b>1,417</b>	<b>677</b>	<b>587</b>	<b>576</b>	<b>536</b>	<b>368</b>	<b>295</b>	<b>1,785</b>	<b>1,703</b>

<b>SEK M, unless otherwise indicated</b>	<b>Jan-Sep 2019</b>	<b>Jan-Sep 2018</b>	<b>Jul-Sep 2019</b>	<b>Jul-Sep 2018</b>	<b>Apr-Jun 2019</b>	<b>Apr-Jun 2018</b>	<b>Jan-Mar 2019</b>	<b>Jan-Mar 2018</b>	<b>2018</b>	<b>2017</b>
Net revenue	4,671	4,424	1,600	1,511	1,597	1,511	1,474	1,403	5,922	5,745
EBITDA margin, %	34.7	32.0	42.3	38.8	36.1	35.5	25.0	21.0	30.1	29.6

## **BOARD OF DIRECTORS, GROUP MANAGEMENT AND AUDITOR**

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### **Board of Directors**

The Board of Directors of the Issuer consists of seven members elected by the Annual General Meeting, two regular employee representatives and their two deputies, elected by the employee organisations.

#### **Åke Svensson**

*Born in 1952. Chairman of the Board (elected 2016). Chairman of the Remuneration Committee.*

**Other on-going assignments/positions:** Board member of Parker Hannifin Corporation (USA), Business Sweden.

#### **Mikael Norman**

*Born 1958. Board member (elected 2017). Chairman of the Audit Committee.*

**Other on-going assignments/positions:** Board member of Cloetta AB, Byggmax Group AB, Bravida Holding AB and Bonava AB.

#### **Lars Backemar**

*Born 1950. Board member (elected 2010).*

**Other on-going assignments/positions:** Chairman of the Board of Backemar Consulting AB and City i Samverkan AB.

#### **Lottie Knutson**

*Born 1964. Board member (elected 2015).*

**Other on-going assignments/positions:** Board member of Stena Line BV, STS Alpresor, Cloetta AB and Scandic Hotels AB.

#### **Lotta Mellström**

*Born 1970. Board member (elected 2015). Member of the Remuneration Committee and the Audit Committee.*

**Other on-going assignments/positions:** Board member of Jernhusen AB and LKAB.

#### **Lars Mydland**

*Born 1954. Board member (elected 2014).*

**Other on-going assignments/positions:** Chairman of the Board of Mydland Ehrling AB and Special Adviser to the Board of Directors of Veling Ltd.

#### **Lottie Svedenstedt**

*Born 1957. Board member (elected 2010). Member of the Remuneration Committee.*

**Other on-going assignments/positions:** Chairman of the Board of MiL Institute and Tillväxt Helsingborg, board member of MiL Foundation, Byggmax Group AB, ITAB Shop Concept AB, Gullberg & Jansson AB and Helsingborgs IF.

#### **Robert Olsson**

*Born 1966. Employee representative (elected 2010).*

**Other on-going assignments/positions:** Section Chairman of ST.

#### **Agne Lindbom**

*Born 1961. Employee representative (elected 2018).*

**Other on-going assignments/positions:** Representative of the negotiation organisation of SEKO Swedavia.

#### **Conny Moholi**

*Born 1966. Deputy employee representative.*

#### **Mikael Nordenståhl**

*Born 1961. Deputy employee representative.*

## Group Management

On the date of this Prospectus, the Group Management consists of eleven persons.

<b>Name</b>	<b>Position</b>
Jonas Abrahamsson	Chief Executive Officer
Caroline Ottoson	Director of Facilities and Systems
Anna Bovaller	Chief Legal Counsel
Charlotte Ljunggren	Director Marketing and Commercial Development
Marie Wiksborg	Director Business Support and Security
Johan Bill	Director Stora Projekt
Peder Grunditz	Airport Director, Stockholm Arlanda Airport
Anna Strömwall	Airport Director, Göteborg Landvetter Airport
Susanne Norman	Director Regional Airports
Mats Pählson	Chief Financial Officer
Mona Glans	Airport Director, Bromma Stockholm Airport

## Other senior executive

Karl Wistrand is Deputy Chief Executive Officer in the Company, but not a member of the Group Management.

## Conflicts of interest

No member of the Board of Directors or the Group Management or any other senior executive has any private interest that might conflict with the Issuer's interests.

## Business address

The office address for all board members, all members of the Group Management and the Deputy CEO is Swedavia Arlanda Airport, SE-190 45 Stockholm-Arlanda, Sweden.

## Auditor

KPMG AB (Vasagatan 16, Box 382, SE-101 27 Stockholm, Sweden) is Swedavia's auditor since the 2019 annual general meeting for the period until the 2020 annual general meeting. Tomas Gerhardsson is auditor in charge. Tomas Gerhardsson is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

During 2017 and 2018, Ernst & Young AB (Jakobsbergsgatan 24, Box 7850, SE-103 99 Stockholm, Sweden) was the Issuer's auditor with Åsa Lundvall who replaced Magnus Fagerstedt as auditor in charge during 2017. Åsa Lundvall and Magnus Fagerstedt were, during their respective years as auditor in charge, authorised public accountants and members of FAR.

## **LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION**

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### **Approval by the Swedish Financial Supervisory Authority**

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

### **Authorisation 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 26 November 2019 was authorised by a resolution by the Board of Directors of the Issuer on 25 October 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 contracts**

There are no material contracts that Swedavia has entered into outside of the ordinary course of its business, which could result in Swedavia being under an obligation or entitlement that is material to its ability to meet its obligations to Holders in respect of the Capital Securities.

### **Legal and arbitration proceedings**

Swedavia neither is nor has been a party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve months 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. Swedavia is, however, from time to time subject to disputes and legal proceedings in the ordinary course of its business.

### **Certain material interests**

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.

Mannheimer Swartling Advokatbyrå is Swedavia’s legal advisor in connection with the issuance and listing of the Initial Capital Securities.

### **Trend information**

There has been no material adverse change in the prospects of the Issuer since 22 March 2019, being the date of the Group’s last published audited financial statements.

Swedavia experienced certain passenger growth during 2018, followed by a decrease during the period January–October 2019. The future development is difficult to assess. There are still significant uncertainties, both in Europe and in the rest of the world, which could have a negative impact on Swedavia in terms of reduced demand for air travel and thus result in decreased revenues.

There has been no significant change in the financial performance of the Group since 30 September 2019, being the end of the last financial period for which financial information has been published to the date of this Prospectus.

## Significant change in the Group's financial position

There has been no significant change in the financial position of the Group since 30 September 2019.

## Documents available

Swedavia's articles of association and certificate of registration are available on Swedavia's website, <https://www.swedavia.com/about-swedavia/corporate-governance/>.

## Incorporation by reference

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

The Group's Annual Reports have been prepared in accordance with IFRS and the Group's interim report for the period January–September 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (*Årsredovisningslagen*). The Group's Annual Reports for the financial years 2017 and 2018 have been audited by the Company's previous auditor, Ernst & young AB. The Group's interim report for the period January–September 2019 has not been audited, but reviewed by the Company's current auditor, KPMG AB.

With the exception of the abovementioned Annual Reports and interim report, no information in this Prospectus has been audited or reviewed by the Company's current or previous auditor.

Non-incorporated parts of the abovementioned reports contain information presented elsewhere in this Prospectus or which is deemed not relevant to investors.

In addition, this Prospectus contains certain financial information pertaining to the financial years 2014–2016 and to the interim periods January–March and April–June 2019 (including comparative figures for the interim periods January–March and April–June 2018) as well as certain key metrics. Please see "*Certain financial information*" in "*Description of Swedavia AB (publ)*" for additional information.

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.

The following sections of the Group's interim report for the period January–September 2019<sup>4</sup> are incorporated:

- Consolidated income statement, p. 11
- Consolidated balance sheet, p. 12
- Consolidated change in equity, p. 13
- Consolidated cash flow statement, p. 13
- Notes, p. 16–21
- Auditor's review report, p. 25

The following sections of the Group's Annual Report for the financial year 2018<sup>5</sup> are incorporated:

- Consolidated income statement, p. 84
- Consolidated balance sheet, p. 85–86
- Consolidated change in equity, p. 87
- Consolidated cash flow statement, p. 88
- Auditor's report, p. 125–127
- Notes, p. 93–123

<sup>4</sup> [https://webtools.bequoted.com/news/post/?key=interim-report-q3-2019-73187&file=interim-report-q3-2019-73187/Swedavia\\_Interim\\_report\\_Q3\\_2019.pdf&channel=253](https://webtools.bequoted.com/news/post/?key=interim-report-q3-2019-73187&file=interim-report-q3-2019-73187/Swedavia_Interim_report_Q3_2019.pdf&channel=253)

<sup>5</sup> <https://www.swedavia.com/globalassets/om-swedavia/roll-och-uppdrag/swedavias-annual-and-sustainability-report-2018.pdf>

The following sections of the Group's Annual Report for the financial year 2017<sup>6</sup> are incorporated:

- Consolidated income statement, p. 90
- Consolidated balance sheet, p. 91–92
- Consolidated change in equity, p. 93
- Consolidated cash flow statement, p. 94
- Auditor's report, p. 128–131
- Notes, p. 99–126

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<sup>6</sup> <https://www.swedavia.com/globalassets/om-swedavia/roll-och-uppdrag/swedavias-annual-and-sustainability-report-2017.pdf>

# TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

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## TERMS AND CONDITIONS FOR SWEDAVIA AB (PUBL) UP TO SEK 1,000,000,000 SUBORDINATED PERPETUAL FLOATING RATE CALLABLE CAPITAL SECURITIES ISIN: SE0013486271

### 1. DEFINITIONS AND CONSTRUCTION

#### 1.1 Definitions

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

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

“**Accounting Event**” means the receipt by the Issuer of an opinion of an authorised accountant (*auktoriserad revisor*) from a well-reputed accounting firm 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 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 Holders’ 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 Central Securities Depositories and Financial Instruments Accounts Act and which are governed by and issued by the Issuer under these Terms and Conditions, including the Initial Capital Securities and any Subsequent Capital Securities.

“**Central Securities Depositories and 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*).

“**Change of Control Event**” means an event where the Government of Sweden ceases to, directly or indirectly, own or control less than 100 per cent. of the shares and the votes in 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 it in Clause 10.1.3.

**“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 (b) 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.

**“First Call Date”** means the date falling five (5) years after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“First Issue Date”** means 26 November 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*), 26 February, 26 May, 26 August and 26 November 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 26 February 2020 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 (0).

**“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 Swedavia AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556797-0818.

**“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, Skandinaviska Enskilda Banken AB (publ), Reg. No. 502032-9081, 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, 1.50 per cent. *per annum*; and
- (b) in respect of the period from (but excluding) any Reset Date, the Margin applicable for the period to (and including) such Reset Date increased by 500 basis points *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 and listing thereof, and (ii) in respect of any Subsequent Capital Securities, the costs incurred by the Issuer in conjunction with the issuance and listing 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 Skandinaviska Enskilda Banken AB (publ), Nordea Bank Abp, filial i Sverige, Swedbank AB (publ) and Svenska Handelsbanken 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).

“**Reset Date**” means the First Call Date and each fifth anniversary thereof.

“**Securities Account**” means the account for dematerialised securities (*avstämningsregister*) maintained by the CSD pursuant to the Central Securities Depositories 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 1,000,000,000. 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. 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. The maximum Total Nominal Amount of the Capital Securities (the Initial Capital Securities and all Subsequent Capital Securities) may not exceed SEK 1,000,000,000 unless a consent from the Holders is obtained in accordance with Clause 16.4.2(a).
- 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 and investments.

#### 5. CONDITIONS FOR DISBURSEMENT

- 5.1 The Issuer shall provide to the Agent, 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;
  - (e) evidence that the Capital Securities has been or will be registered with the CSD; and
  - (f) such other documents and evidence as is agreed between the Agent and the Issuer.
- 5.2 The Issuer shall provide to the Agent, 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*)).

- 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 Central Securities Depositories and 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 Central Securities Depositories and 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 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 If the Issuer makes only a partial payment of interest on an Interest Payment Date, such amount shall be applied equally to each Capital Security.
- 10.1.3 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**”.
- 10.1.4 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 an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax 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 1,000,000,000 (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 16.4.2 (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 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.
- 17.3 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.

17.4 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 Central Securities Depositories and 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 Central Securities Depositories and 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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