

This Base Prospectus has been approved by the Swedish Financial Supervisory Authority on 25 May 2020 and is valid for 12 months from this date. The obligation to provide supplement to this Base Prospectus in the event of new circumstances of significance, material error or material inaccuracy will not apply after the expiry of the Base Prospectus.

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# KUNGSLEDEN

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**KUNGSLEDEN AB (publ)**

**BASE PROSPECTUS**

**SEK 12,000,000,000 MEDIUM TERM NOTE PROGRAMME**

**Arranger**

Nordea Bank Abp

**Dealers**

Arctic Securities AS, filial Sverige

Danske Bank A/S, Danmark, Sverige Filial

Nordea Bank Abp

Skandinaviska Enskilda Banken AB (publ)

Svenska Handelsbanken AB (publ)

Swedbank AB (publ)

## IMPORTANT INFORMATION AND CERTAIN DEFINITIONS

This base prospectus (this "**Base Prospectus**") relates to the programme for continuous issuance of medium term notes by Kungsleden AB (publ), Swedish reg. no. 556545-1217, (the "**Company**" or "**Kungsleden**") in Swedish kronor ("**SEK**"), Norwegian kroner ("**NOK**") or euro ("**EUR**") with a tenor of minimum one (1) year and a nominal amount which may not be lower than EUR 100,000 (or the corresponding amount in SEK or NOK) (the "**MTN Programme**" and "**MTN**", respectively). The Base Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "**SFSA**") pursuant to Article 20 of 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**"), supplemented by the Commission Delegated Regulation (EU) 2019/980. Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Base Prospectus is correct and complete. Neither the Arranger nor the Dealers have verified, and are not responsible for, the contents of the Base Prospectus. The term "**Loan**" refers to each loan, comprising of one or more MTN, issued by the Company under this MTN Programme. This Base Prospectus and any offers in accordance herewith are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Base Prospectus. Words and expressions defined in the Terms and Conditions beginning on page 27 have the same meanings when used in this Base Prospectus, unless expressly stated otherwise. Investing in MTN entails certain risks for the investor (please refer to the section "Risk Factors" below). An investor resolving to invest in MTN must rely on its own independent assessment of the Company and the relevant MTN, including the relevant existing factual circumstances and risks. A potential investor should hire its own professional advisors and carefully examine and assess its investment decision. Investors may only rely on information explicitly set out in this Base Prospectus (including any supplements hereto). MTN is not a suitable investment for all investors. Each potential investor should consider whether MTN is an appropriate investment given the particular circumstances of that investor. In particular, every investor should:

- (i) Have sufficient knowledge and experience to be able to adequately evaluate (i) MTN and (ii) the information set out in this Base Prospectus and any supplements hereto;
- (ii) Have access to, and knowledge of, appropriate analytical tools in order to, in the context of its own financial situation, be able to evaluate an investment in MTN and the effect of such investment on the portfolio of such investor;
- (iii) Have sufficient financial means and liquidity to carry the risks associated with an investment in MTN, including where the nominal amount and/or interest payments may be made in different currencies or where the currency of the principal amount or interest deviates from the currency of the investor;
- (iv) Fully understand the terms and conditions of a Loan and be familiar with relevant indices and financial markets; and
- (v) Be capable of evaluating (itself or with the assistance of financial advisors) possible scenarios for economical, interest rate related or other factors that may affect the investment and the ability of the investor to carry the relevant risks.

This Base 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 Base Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. Subject to certain exemptions, MTN may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. No MTN has been, and no MTN will be, registered under the United States Securities Act of 1933 (the "**Securities Act**") or the securities laws of any state or other jurisdiction outside Sweden.

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

In respect of each issue of MTN, a target market assessment will be made in respect of the MTN and appropriate channels for distribution of the MTN will be determined. Any person subsequently offering, selling or recommending the MTN (a "distributor") should take into consideration the target market assessment. However, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the MTN (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

For the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), a determination will be made in relation to each issue about whether the Arranger or any Dealer participating in the issue of the MTN is a manufacturer in respect of such MTN. Neither the Arranger nor the Dealers nor any of their respective affiliates that do not participate in an issue will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### Forward-looking statements and market data

The Base Prospectus contains certain forward-looking statements that reflect the Company'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 Company believes that these statements are based on reasonable assumptions and expectations, the Company 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 Company'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 Base Prospectus apply only to the date of the Base Prospectus. The Company 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 Company and the Group or persons acting on the Company behalf is subject to the reservations in or referred to in this section.

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## Overview of the programme

### Description of the programme

#### General information

Kungsleden has established the MTN Programme for the purpose of issuing MTN up to a total amount of SEK 12,000,000,000 (or corresponding amount in NOK or EUR) or such other amount that the Dealers and the Company may agree. MTN may be issued with a tenor of not less than one (1) year. MTN may be issued in SEK, NOK or EUR with real interest rate, fixed interest rate, floating interest rate or as zero coupon bonds. MTN may not be issued with a Nominal Amount of less than EUR 100,000 (or corresponding amount in SEK or NOK). Each Loan is given a specific loan identification number (ISIN).

Kungsleden has appointed Nordea Bank Abp as arranger (the “**Arranger**”) and Arctic Securities AS, Filial Sverige, Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) as dealers (the “**Dealers**”). Further dealers may be appointed. Neither the Arranger nor the Dealers have verified, and are not responsible for, the contents of the Base Prospectus.

Nordic Trustee & Agency AB (publ) is Agent for the Noteholders. The Agent (or a person appointed by the Agent to act in its stead) is authorised to represent the Noteholders in all matters relating to MTN and this MTN Programme, in as well as out of court and in relation to enforcement authorities. Under the Terms and Conditions, the Agent has the right to and shall if requested by the Company, the Calculation Agent or Noteholders holding a certain percentage of a Loan, convene a Noteholders’ Meeting (please refer to Clause 12 of the Terms and Conditions). This may result in resolutions being made with binding effect on all Noteholders. Investors may have access to the Terms and Conditions on the Agent’s website, [www.nordictrustee.com](http://www.nordictrustee.com).

#### Form of MTN

MTN are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Noteholder. MTN issued in SEK or EUR shall be registered with Euroclear Sweden and MTN issued in NOK shall be registered with Verdipapirsentralen ASA. Hence, no physical notes will be issued. MTN are registered in accordance with the relevant country’s applicable law and registration requests relating to MTN shall be directed to an Account Operator. The MTN may be freely transferred.

#### Status of MTN

MTN constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Company, except those obligations which are mandatorily preferred by law.

#### Admission to trading on a regulated market

If stated in the applicable Final Terms for a Loan, an application for admission to trading on a regulated market will be made. In relation to a Loan which according to its Final Terms will be subject to trading on a regulated market, the Company will apply for listing at Nasdaq Stockholm, Oslo Børs ASA or another regulated market and take such measures as may be required to maintain such listing during the term of that Loan.

#### Pricing of MTN

The price of MTN cannot be established in advance but is set in connection with the relevant issue on the basis of prevailing market conditions. MTN may be issued at a price below or exceeding the relevant Nominal Amount. The interest (if any) applicable to MTN depends on several factors, one of which is the interest rate applicable to other investments with a corresponding term.

#### No direct action by Noteholders

The Noteholders under the MTN Programme are represented by the Agent. Subject to any exemptions set out in the Terms and Conditions, a Noteholder may not take any steps whatsoever against the Company to enforce or

recover any amount due or owing to it pursuant to the terms of a Loan, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Swe: *företagsrekonstruktion*) or bankruptcy (Swe: *konkurs*) (or its equivalent in any other jurisdiction) of the Company in relation to any of the obligations and liabilities of the Company under the Finance Documents.

### **Green Loans**

The Company may issue Green Loans under this MTN Programme. In such case, the Company shall publish or have published a Green Loan Framework on its website ([www.kungsleden.se](http://www.kungsleden.se)) setting out the terms and conditions applicable to a Green Loan (the "**Green Terms**"). In order for the Green Terms to apply to a Loan, the Final Terms of a Loan shall specify that it is a Green Loan. The Green Terms may be updated from time to time by the Company. Amendments to the Green Terms made after the Loan Date for a particular Green Loan will not apply to Noteholders under that Loan. Failure by the Company to comply with the Green Terms for a particular Green Loan will not constitute an event of default or termination event under the Terms and Conditions, and will not give rise to any right to prepayment, early redemption other compensation in such event.

### **Statute of Limitation**

Claims for principal amounts under a Loan will be subject to time bar ten years after the relevant Maturity Date. Claims on interest will be subject to time bar three years after each relevant interest payment date. If a claim becomes void due to the time barring of claims, amounts set aside for payment of such claim will fall to the Company. Where a period of limitation is duly interrupted, a new period of ten years (or three years, respectively) will start to run in accordance with the Limitations Act (Swe: *preskriptionslagen (1981:130)*).

### **Governing law**

The Terms and Conditions, the applicable Final Terms and any non-contractual obligations arising out of or in connection therewith are governed by and construed in accordance with the laws of Sweden. The Company submits to the non-exclusive jurisdiction of the City Court of Stockholm (Swe: *Stockholms tingsrätt*).

### **Product description**

#### **Terms and Conditions and Final Terms**

MTN issued under the MTN Programme are governed by the Terms and Conditions together with the applicable Final Terms. The Terms and Conditions apply to all Loans issued under the MTN Programme. Applicable Final Terms are specified in relation to each Loan on the basis of the form of final terms set out on page 45 of this Base Prospectus. The applicable Final Terms must be read together with the Terms and Conditions. The Final Terms specify, among other things, Loan Date, the basis for interest calculation, possible rights of early redemption for the Company and Maturity Date. The Final Terms in relation to an offer to invest in MTN or in relation to MTN that are admitted to trading on a regulated market will be submitted for registration by the SFS as soon as possible and in any event prior to an application is made for admission to trading of the relevant MTN on a regulated market. Final Terms in relation to each Loan issued under the MTN Programme will also be made available on the Company's website, [www.kungsleden.se](http://www.kungsleden.se).

#### **Repayment and redemption**

The Nominal Amount of a Loan (together with accrued interest, if any) falls due for repayment on the Maturity Date as specified in the Final Terms. Should the Maturity Date fall on a date which is not a Business Day, the Loan will however be repaid on the following Business Day. The Final Terms for a Loan may contain a right or obligation for the Company to repay a Loan (together with accrued interest, if any) in whole or in part prior to its stated Maturity Date.

In case of a change of control of the Company (as defined in the Terms and Conditions), a Noteholder will have the right to demand repayment of a Loan in accordance with Clause 9 of the Terms and Conditions. If an early redemption option for the Company is specified in the Final Terms for a Loan, the Company may in accordance with and subject to such terms repay the Loan prior to its Maturity Date.

## Basis for the calculation of interest on MTN

### Fixed Interest Rate

For Loans in SEK or EUR with a fixed interest rate, interest accrues in accordance with the rate specified in the applicable Final Terms from but excluding the Loan Date, to and including the Maturity Date. Accrued interest shall be paid in arrears on each Interest Payment Date and is calculated using the day count convention 30/360 for Loans in SEK and EUR.

For Loans in NOK with a fixed interest rate, interest accrues in accordance with the rate specified in the applicable Final Terms from and including the Loan Date, to but excluding the Maturity Date. Accrued interest shall be paid in arrears on each Interest Payment Date and is calculated using the day count convention 30/360 for Loans in NOK.

### Floating Interest Rate (FRN)

For Loans in SEK or EUR with a floating interest rate, interest accrues at the rate specified in the applicable Final Terms from but excluding the Loan Date, to and including the Repayment Date. The interest rate is calculated by the relevant Calculation Agent on each Interest Determination Date and is comprised by the Base Rate plus the applicable Margin. Accrued interest shall be paid in arrears on each Interest Payment Date and is calculated using the day count convention actual/360 for Loans in SEK and EUR.

For Loans in NOK with a floating interest rate, interest accrues at the rate specified in the applicable Final Terms from and including the Loan Date, to but excluding the Repayment Date. The interest rate is calculated by the IPA on each Interest Determination Date and is comprised by the Base Rate plus the applicable Margin. Accrued interest shall be paid in arrears on each Interest Payment Date and is calculated using the day count convention actual/360 for Loans in NOK.

Interpolation can be used in order to calculate the Base Rate and means that interest is calculated based on two known data points in accordance with the Final Terms. The Base Rate for MTN in SEK is STIBOR, Base Rate for MTN in NOK is NIBOR and the Base Rate for MTN in EUR is EURIBOR, as such terms are defined in the Terms and Conditions.

STIBOR and EURIBOR constitute reference values according to the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**BMR**"). As at the date of this Base Prospectus the administrator of STIBOR, Swedish Financial Benchmark Facility (a subsidiary of Global Rate Set Systems), does not appear in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") in accordance with article 36 of the BMR. As far as the Company is aware, the transitional provisions in article 51 of the BMR apply to the administrator of STIBOR, entailing that the administrator of STIBOR is currently not required to obtain authorisation or registration. The administrator of EURIBOR, European Money Market Institute, is registered in the register maintained by ESMA.

In Norway, the BMR has been implemented through changes in the Norwegian Act on Reference Values. Based on prior national legislation (the Norwegian Act on Reference Rates), NIBOR was a reference rate in Norway. With the implementation of the BMR, the administrator of NIBOR; Norske Finansielle Referanser AS, has applied for authorization as an EU administrator of benchmarks. The application is pending at the date of this Base Prospectus but the BMR transitional provisions allow the continued provision of NIBOR, unless and until Norske Finansielle Referanser AS<sup>1</sup> application for authorization is refused. If and when the application is approved, Norske Finansielle Referanser will appear in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ESMA.

### Zero Coupon

Zero Coupon Loans do not bear interest.

### Real Interest Rate

For Loans where real interest rate applies, inflation protected interest accrues from but excluding the Loan Date to and including the Repayment Date. The interest rate may be fixed or floating (as described above) and is

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<sup>1</sup> In effect as from 20 December 2019.

multiplied with a number which is the result of dividing Final CPI with Base CPI. The calculation of CPI will be based on statistics which does not necessarily reflect the inflation to which an investor in MTN is exposed. The Company will notify the Noteholders, in accordance with Clause 6 of the Terms and Conditions, of the applicable interest rate as established by the Calculation Agent.

#### Day count conventions

The following day count conventions may be used for the calculation of interest under the MTN Programme.

**30/360:** The calculation is based on a year of 360 days divided into 12 months of 30 days each.

**Actual/360:** The calculation is based on the actual number of days elapsed in the relevant Interest Period, divided by 360.

## **Risk factors**

*Risk and risk-taking are inevitable parts of investing in MTN. In this section material risk factors are illustrated. In addition to the other information in this Base Prospectus as well as a general evaluation of external factors, investors should carefully consider the following risk factors before making any investment decision. The occurrence of any of the events discussed below could materially adversely affect the Company's and/or the Group's operations, financial position and results of operations. Moreover, the trading price of MTN could decline, the Company may not be able to pay Interest or principal on MTN when due, and investors could lose all or part of their investment. 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 at 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.*

### **Risk factors specific and material to the Company**

#### **Market risks**

Risks relating to adverse economic developments and the outbreak of COVID-19

The Group conducts its business within the real estate market and is consequently affected by general economic trends outside the Group's control. The occurrence of extraordinary events, such as the outbreak of disease epidemics, have an adverse impact on the global economy as a whole and may lead to a global recession, or even depression. The outbreak of the coronavirus ("COVID-19"), which first emerged in China in December 2019, is considered a pandemic and has led to a major slowdown in the economic growth during the first half of 2020, partly due to the spread of the virus itself, but even more so due to the political decisions enacted across different nations in order to try to contain the virus, such as quarantines, shut downs and restrictions on mobility. As of the date of this Base Prospectus, the further economic consequences of COVID-19 are uncertain. COVID-19 affects both sides of the economy, i.e., supply and demand. There have been disruptions in sectors such as automotive, aviation, retail, hospitality and finance, and the full effects have yet to filter through the value chain. The further the outbreak of COVID-19 widens and the longer it persists, together with the political restrictions that go along with it, the greater the risk of a more prolonged impact on the global economy and, by extension, real estate markets. Currently, there is no reliable way to predict, with certainty, the timing or value of transactions affected. Thus, the outbreak of COVID-19 may lead to investments being postponed or that planned acquisitions and/or divestments could not be carried out as planned, which could have a material adverse effect on the Group's business. In addition, the longer the COVID-19 crisis goes on it may become more difficult to raise capital, obtain loans or other financings or service existing debt.

Moreover, due to COVID-19, there is a risk that the Group's current or future tenants may choose not to enter into new leases or renew existing. There is also a risk that the global downturn could affect the liquidity position of the Group's existing tenants, which in turn may require such tenants to postpone rental payments or cause defaults under lease agreements. Accordingly, the COVID-19 crisis's impact on the Group's current and future tenants could lead to increased vacancies and a decrease in rental income for the Group, which would have a negative impact on the Group's operations, financial position and earnings.

#### **Risks related to properties and development projects**

Fluctuations in property value

The Company reports its property holdings at fair value, which for properties imply market value. The fair value is based on internal valuations carried out each quarter and the properties are, in addition, valued on a regular basis by external evaluators. As of 31 March 2020, Kungsleden's property portfolio has been internally valued to SEK 38,912,000,000 with quality assurance through external valuations of certain parts of the portfolio. The value of properties is impacted by several factors such as exogenous factors that affect supply and demand such as the business cycle, interest rate level, financing and required yield. The structure of contracts and customer base, as

well as Kungsleden's capability to manage, improve and develop its properties also impact value, hence there is a risk related to such factors.

The internal valuations are based on an analysis of cash flow, which includes assessments of a property's future earnings capacity, the price at which it is considered possible to sell the property and market required yield. This internal valuation is the foundation of reported property values. Internal valuations are conducted by staff with extensive valuation experience. Further, Kungsleden conduct quarterly external valuations of parts of its portfolio to quality assure and verify the internal valuations. In 2019, properties with a value of 95 per cent of the portfolio were externally appraised. However, there is a risk connected to the adequacy and correctness of the internal and external valuations as well as a risk relating to any discrepancy that may occur between the internal and external valuations. The valuations entail uncertainty since the assessments are based on a theoretical valuation model given certain assumptions included in the model. If these assumptions would prove to be incorrect, the valuation may deviate from the fair value. Hence, the consequence of an incorrect valuation could be that the Company's financial position is different from what is stated in the books.

Further, a property's market value could be difficult to assess in a market with low turn-over. The value of the properties is, assuming a fully functioning credit market and transaction market, affected by supply and demand, where the price is mainly dependent on the expected operational result of the properties and yield requirements of the buyer. A reduced demand, higher yield requirements and negative growth will result in a decreased market value. Kungsleden has loan-to-value covenants in its loan agreements meaning that a decrease in the property portfolio's market value could, *inter alia*, trigger such loan-to-value covenants with the result of adversely affecting the Company's financial position. The loan-to-value ratio is further of importance to the company with respect to its Investment Grade credit rating assigned by Moody's, and a change in loan-to-value ratio could have implications on the Company's credit rating, which could adversely affect the Company's possibility to achieve funding (see *Risks relating to financing and refinancing* below) and thereby adversely affect Kungsleden's financial position.

The sensitivity analysis below illustrates the impact assumed changes to rental value, property costs and required yield would have on the value and the loan-to-value ratio.

<b>Sensitivity analysis, property value &amp; LTV ratio</b>	<b>Assumption</b>	<b>Value impact, SEK m</b>	<b>LTV ratio impact</b>
Rental value	+/- 1%	+570/-570	-0.7%/+0.7%
Property costs	+/- 1%	-125/+125	+0.1%/-0.1%
Required yield	+/- 0.1% point	-618/+642	+0.8%/-0.8%

#### Rental income

Rents as well as vacancies are strongly influenced by the growth of the Swedish economy as a whole, but also by the growth on a regional and local level where the Company operates. Economic stagnation leads to reduced demand for facilities with a potential for lower rent levels and higher vacancy. The level of new construction of properties in the local markets also has an impact on rent levels and vacancies. Rental income is also affected by any financial difficulties for tenants. The risk of rental losses and vacancies is affected by the tenant structure. Having large commercial tenants may result in concentration risks. As of 31 December 2019, one major tenant (ABB) represented 11 per cent of the rental income of the Group and as of 31 March 2020 the Group's ten largest tenants accounted for close to 25 percent of the rental income. There is a risk that one or more of the Company's larger tenants fail to fulfil their obligations to pay the agreed rents. Reduced rental income due to such failure could adversely affect the Company's result and financial position. If tenants do not fulfil their obligations at all under the lease agreement, for example in connection with a bankruptcy, or fulfil them after collection measures, there is a risk that it will also result in an increase in vacancies with lower property values as a result, which will adversely affect the Company's financial position and result.

In case one or more of the Company's major tenants would not renew or extend their lease agreements when they expire, this can result in reduced rental income and/or higher vacancies if the Company cannot obtain the

corresponding income from new tenants. The general rent level risk is attributable to the development of current market rents. The Company's aim is to sign lease agreements with market terms and that the due dates of the rental agreements, viewed throughout the total property portfolio, are distributed evenly over time. Kungsliden's average contract duration as of 31 March 2020 is 5.5 years for the Company's 10 largest tenants, and 3.8 years for all tenants, which means that variations in market rents do not have an immediate impact on rental revenues. Nevertheless, there is a risk that a long-term declining trend of the current market rents will adversely affect the Company's result and financial position. A change in rental revenues corresponding to +/- 1% would impact the profit from property management with +/- SEK 24,000,000.

#### Project development and property investments

Development projects, such as construction of new buildings and reconstructions and refurbishments of existing buildings, are value creating but also associated with risk. The Company is dependent on receiving relevant approvals from authorities to carry out such projects. Major tailor-made projects entail substantial investments. There is a risk that such investments result in an increased credit risk if tenants are unable to fulfil their obligation to pay rent and the Company is unable to find other tenants for such premises. Certain projects will be commenced without contracted tenants for all areas of the building, which entails a risk that there will be vacancies when the project is finalized and in turn result in increased costs and/or decreased income. Further, there is a risk that major constructions, reconstructions or refurbishments are delayed and/or become more expensive than initially expected where tenants are not able to use the premises from the expected date, which in turn will result in increased costs and/or decreased income. To the extent the Company is not compensated for such increased costs or losses in income, there is a risk that the Company's financial position and result will be adversely affected.

Further, there is a risk connected to the failure of making the relevant and necessary investments, failing which could result in the properties not maintaining, *inter alia*, satisfactory technical standards. Failure to uphold such standards may result in unforeseen costs or investments or result in dissatisfied tenants not prolonging or seeking to terminate their lease agreements. It is important for the Group to maintain a close dialogue with its current tenants and have a decentralised organisation close to customers, as well as a local presence, to ensure that the properties are satisfactory to the tenants. If the Group fails to continue to make relevant investments and improvements to its properties, fails to maintain the dialogue with its tenants making it possible to make the necessary and relevant improvements, or if the developments are unsuccessful that would adversely affect the Company's business and results.

#### Property transactions

A part of the Company's operating activities consists of acquiring and divesting properties and property-owning companies, which can be associated with risks. Suitable investment targets for sale at reasonable prices are required in order for transactions to be implemented. When the demand is high for the investment targets that the Company focuses on, the number of companies and property portfolios for sale can be limited or only available on unfavourable terms for the Company. In addition, there is a risk that competitors with similar investment strategies will have access to greater financial resources and have lower costs of capital than the Company. Future vacancies, tenants' inability to pay, environmental conditions and technical defects are other examples of transaction related risks. Furthermore, the acquisition of companies incorporates legal and tax risks related to the historical conditions of the companies. It is therefore vital that the organisation has appropriate experience of property transactions and that external advisors with relevant skills are appointed when deemed necessary. There is a risk that the acquired businesses or properties will adversely affect the Company's financial position and result. In several of the Company's divestment contracts in respect of divestment of properties and property-owning companies it is possible for each buyer to invoke warranty claims. There is a risk that claims will arise in the future and that such claims will adversely affect the Company's financial position and result.

#### Operational and maintenance costs

Operational and maintenance costs are mainly costs for electricity, cleaning, water, heating and snow removal. Some of these services can only be purchased from a few operators, which can affect the price. Further, the costs for electricity, heating and snow removal are affected by weather conditions. Weather conditions or other factors or unforeseen events, such as damages to properties could, consequently, adversely affect the Company's operational and/or maintenance costs, which could affect the Company's result.

The leasehold rent of the Company's properties with leasehold rights agreements are normally renegotiated at an interval of 10-20 years. The leasehold rent is currently calculated in a way that aims to provide a reasonable real interest rate to the municipality on the assessed value of the land. There is a risk that the basis of the calculation of such leasehold rent is changed in future renegotiations, resulting in an increase in leasehold rent. An increase in leasehold rent could have adverse effect on the Company's result and financial position.

The property tax, which is based on the assessed value of the property, is based on political decisions. This applies both to the basis of the calculation, the assessed value and the tax level. The property tax is normally charged to the tenants for leased areas, whereas the tax for vacant areas is carried by the Company.

To the extent the Company is not compensated for increased operating costs or losses in income, there is a risk that the Company's result and financial position are adversely affected. A change in property costs corresponding to +/- 1% would impact the profit from property management with +/- SEK 8,000,000.

#### Site leasehold (Sw. *tomträtt*)

The Company holds certain site leasehold where some of the site leasehold agreements (Sw. *tomträttsavtal*) include a clause entailing that the municipality is not obliged to compensate the Company, in its capacity as site lessee (Sw. *tomträttshavare*), for buildings or other facilities on the site leasehold if the site leasehold is terminated by the end of the leasehold term. To the extent the Company is not compensated for such buildings, facilities or other construction work performed on the site leasehold, there is a risk that the Company's financial position will be adversely affected.

### Financial Risks

#### Risks relating to financing and refinancing

A financing risk is defined as the risk of lack of funding or the ability to achieve funding only under disadvantageous conditions. Kungsleden's business model is based on real estate assets being funded with equity and external borrowings to generate returns on investor capital. Accordingly, access to external capital is a critical factor to enable successful real estate operations. The Board of Directors has adopted a finance policy that sets certain risk mandates, including Kungsleden maintaining financing risk at an acceptable and controlled level by operating with an loan-to-value ("LTV") ratio of not more than 50 per cent for the long term. The Company is further dependent on its ability to refinance existing financing arrangements as they fall due and to obtain additional financing at market terms in connection with for example property acquisitions. By increasing its borrowing from the capital markets, the Company has reduced its dependency on arranging finance from the banking system against real estate collateral. However, in case the Company is unable to refinance existing facilities or obtain additional financing at market terms, as a result of a deficiency in the capital markets or for any other reason, or only at a materially increased cost there is a risk that would adversely affect the Company's operations and financial position.

#### Liquidity risk

Liquidity risk is the risk of not having access to cash and cash equivalents or credit facilities to satisfy payment obligations. Cash and cash equivalents mean cash at hand and available credit commitments. At any time, Kungsleden should maintain contingency to make at least three months' known payments including interest payments and loan rollovers. Contingency also means agreements on overall terms & conditions for financing are in place. The Board of Directors is entitled to decide on temporary increases to liquidity, e.g. given increased contingency for major transactions. Kungsleden has arranged unutilised credit facilities from banks that are secured with direct real estate collateral with the aim of achieving a cost-efficient cash management system, and to cover short-term payment commitments. However, if such arrangements would fail or if Kungsleden for other reasons would be unable to satisfy its payment obligations that would adversely affect the Company's financial position.

#### Credit risk

A credit risk is mainly defined as the risk of the Company's counterparties not fulfilling their obligations to pay agreed rent or purchase price. The Company depends on its tenants to pay the agreed rent when due. There is a

risk that the Company's counterparties default on their payments or otherwise fail to meet their obligations. Furthermore, there is a risk that the Company's counterparties cannot meet their obligations pursuant to loan agreements, derivative contracts or financing agreements arising from property transactions. The credit risk in financing activities is low, and mainly consists of counterparty risks relating to receivables to banks and other counterparties arising when utilising derivative instruments. The finance policy includes guidelines for approved counterparties and the maximum credit exposure to various counterparties. Historically, rent losses have been low and the policy for credit checks includes guidelines for assessing counterparty creditworthiness. For significant long-term receivables, collateral is normally obtained to reduce credit risk. If the Company's measures to counter the loss of rental, sales or other revenue proceeds are insufficient, there is a risk that this will adversely affect the Company's financial position.

#### Interest rate risk

The Company's capital structure results in interest expenses being one of the main cost items. Interest rate risk is defined as the risk of an effect on the result and cash flow due to changes in the market interest rate. On short maturities, market interest rates are primarily impacted by the monetary policy of Sweden's central bank, while for longer maturities, interest rates are determined by expectations of future economic progress and inflation, nationally and internationally. Changes in market interest rates can have an impact on earnings and cash flow. Accordingly, finance with short fixed interest periods implies uncertainty regarding future financing costs and ongoing cash flow. A change in average interest rate for the loan portfolio corresponding to +/- 1% point would impact the profit from property management with +/- SEK 179,000,000 and a change in the short-term market interest rate (Stibor 3m) corresponding to +/- 1 % point would impact the profit from property management with SEK -110,000,000/+86,000,000.

Kungsleden attains the desired risk level by using interest rate swaps. Kungsleden's objective is that its minimum interest coverage ratio should be a multiple of 2.5, and works to adapt the Group's interest rate duration profile in accordance with its adopted business plan, and within the adopted risk mandates of its finance policy on a proactive and long-term basis. Because swaps entered are subject to continuous market valuation pursuant to IFRS, there is a risk that negative unrealised value changes on financial instruments will occur if market interest rates on longer maturities decrease after the hedging contract has been entered into. Accordingly, negative unrealised value changes on financial instruments can affect the Group's results of operations and financial position and there is a risk of unfavourable interest rate development resulting in increased interest expenses, which will adversely affect the Company's result.

#### Exchange rate risk

The Company will pay principal and interest on MTN in SEK, NOK or EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than SEK, NOK or EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of SEK, NOK or EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to SEK, NOK or EUR would decrease (i) the Investor's Currency equivalent yield on MTN, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of MTN. Government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### Tax Risk

##### Changes to tax regulations

The Company conducts and reports its transactions in accordance with the Company's interpretation of statutes and case law applicable at each tax return period. Nevertheless, the Swedish Tax Agency and the courts might be of a different opinion and there is a risk that decisions and actions carried out will entail negative tax implications that adversely affect the Company's operations, financial position and result.

A new tax legislation introducing general interest deduction limitation rules entered into force on 1 January 2019. The corporate income tax rate was as a first step reduced from 22 per cent. to 21.4 per cent. (as per 1 January 2019) and will as a second step be reduced from 21.4 per cent. to 20.6 per cent. (as per 1 January 2021). Further, a general limitation of interest deductions in the corporate sector was introduced under the new rules where the cap for a deduction of net interest expenses is calculated as 30 per cent. of tax EBITDA, with certain exceptions. If net interest expenses of the Swedish entities of the Group, following the implementation of the rules, represent a substantial portion in relation to their tax EBITDA, the Group's tax burden could, despite the lowering of the corporate income tax rate, increase and this could have a negative impact on the Group's operations, earnings and financial position.

The government has previously expressed an intention to increase the taxation of the real estate sector, e.g. by imposing tax on transfer of "packaged" real estate. A proposed legislation, (Sw. *Paketeringsutredningen*, (SOU 2017:27)), was presented by the Swedish government on 30 March 2017, but has not resulted in new legislation. There is a risk that, if new legislation in this area would be implemented, this could lead to tax payable upon the Company's future disposal of property owning companies. There is further a risk that this could have a materially adverse effect on the Company's and the Group's business, financial position and earnings, considering the difference between the fair market value and tax residual value of the properties held by the Group.

There is a risk that such changes and other changes in the laws governing corporate, real estate and other taxes will affect the conditions for the Company's business and lead to tax payable upon the Company's future disposal of property owning companies. There is also a risk that such decisions and changes will adversely affect the Company's profit and financials.

### **Sustainability Risk**

#### **Pollution, climate impact and environmental risk**

Properties have environmental impact in connection with, among other things, their construction, management, maintenance and the operations carried out on the property. Under the Swedish Environmental Code (*miljöbalken (1998:808)*), anyone whose operations have contributed to pollution is responsible for after-treatment. If the operator is unable to carry out or pay for the after-treatment, whoever acquired the property and was aware of the pollution at the time of acquisition or ought to have detected it then shall be liable. As such, there is a risk that in certain circumstances, liability to decontaminate the pollution will be directed towards the Company to restore the property in a condition required by the Swedish Environmental Code. No comprehensive survey of possible environmental pollutants in the Company's property portfolio has been made.

In connection with acquisitions, the Company normally carries out an analysis and risk assessment of environmental risks. However, there is a risk that environmental pollutions causing costs for the Company exist, which in turn will adversely affect the Company's operations, financial position and result.

There is a risk that natural disasters such as floods, storms and fires will cause damages to the properties that the Company owns as well as on the infrastructure the Company is dependent on, which will adversely affect the Company's operations, financial position and result.

#### **Risk factors specific and material to MTN**

The Company may provide collateral for other debt, including market loans and MTN represents an unsecured obligation

The Company normally finances a large portion of its operations through bank loans or other debt instruments, often via subsidiaries, with security interest over properties normally constituting a preferential claim on the borrower. The Company may retain, provide or renew security over its current or future assets to secure existing or additional bank loans or other debt instruments. The Terms and Conditions do not contain any negative pledge undertaking and, consequently, the Company may issue secured market loans in the future. An MTN represents an unsecured obligation of the Company. This means that in the event of the Company's liquidation, company reorganisation or bankruptcy the Noteholders normally receive payment after any creditors with security over certain assets have been paid in full. Furthermore, as all of the Company's subsidiaries' obligations must first be satisfied, potentially leaving little or no remaining assets in such companies, the Noteholders will also be

subordinated, by way of so called structural subordination, to the creditors of such subsidiaries. The Company cannot make any assurance that the remaining assets would be sufficient to satisfy all unsecured claims on the Company in full or that any such assets will exist. Hence, there is a risk that an investor will lose the entire or parts of its investment in the event of the Company's liquidation, company reorganisation or bankruptcy.

#### Dependence on subsidiaries

The Company holds no significant assets other than certain claims and the shares in its direct and indirect subsidiaries and as such is reliant on the ability of other entities within the Group to advance loans or make dividend distributions to the Company to enable it to make payments under MTN. The Company is thus dependent upon receipt of sufficient income arising from the operations of the Group. The ability of the Company's subsidiaries to make payments to the Company is subject to, among other things, the availability of funds (which in turn will depend on the future performance of the subsidiary concerned and therefore to a certain extent on general economic, financial, competitive, legislative, regulatory and other factors that may be beyond its control), corporate law (e.g. limitations on value transfers) and the terms of any of the subsidiary's financing arrangements. If the subsidiaries are incapable of distributing sufficient funds to the Company, there is a risk that this will have a significant negative impact on the financial position and earnings of the Company and thereby also affect the Company's ability to make payments to the investors under MTN.

#### MTN with real interest rate

For MTN bearing real interest rate, the return, and sometimes also the repayment of Nominal Amount, are affected by CPI (consumer price index). The value of MTN bearing real interest rate may therefore, in the view of the investor, be affected both positively and negatively. It is important for each MTN investor to note that a calculation of the inflation protection with the use of CPI is made on the basis of statistics which do not necessarily reflect the inflation that the individual noteholder is exposed to. It is also important to note that the interest rate of MTN bearing real interest rate based on a floating interest rate, always is zero if the sum of the applicable Base Rate and the applicable margin is less than zero. This means that the interest rate on MTN bearing real interest rate based on a floating interest rate is not inflation protected if the sum of the applicable Base Rate and the applicable margin is less than zero.

#### Risks associated with Green Loans

What constitutes a Green Loan is determined by the criteria set out in the Company's Green Terms (as defined in the section *Overview of the programme* below) in force on the Loan Date for a particular Loan. There is a risk that MTN in accordance with these criteria does not fit all investors' requirements, wishes or specific investment mandate. It is the obligation of every investor to obtain current information regarding risks and principles for such MTN as these may change or develop over time.

Both the Green Loan Framework, the Green Terms and market practice may develop after a certain Loan Date which may lead to changed terms for a subsequent Loan or changed requirements from the Company. Changes in the Green Loan Framework made after the Loan Date for a particular Loan will not apply to the Noteholders of that Loan.

In December 2019, the European Council and the European Parliament agreed on the so-called taxonomy regulation, a common classification system aimed at facilitating the classification of sustainable investment. The Taxonomy Ordinance is expected to impose stricter rules when assessing green and sustainable financial products and activities. The regulation is scheduled to enter into force on 31 December 2021. As of the date of this Base Prospectus, the final wording of the regulation has not yet been established and there is uncertainty as to how the taxonomy regulation may affect the design of the Green Terms and the classification of Green Bonds. There is a risk that the classification of Loans issued as Green Bonds under the Green Terms will be affected by the Taxonomy Regulation and that the Loans will no longer be qualified to be classified as Green Bonds after the entry into force.

Any failure of the Company to comply with the Green Terms in relation to a specific Loan or that a specific Loan due to the proposed Taxonomy Regulation ceases to be classified as a Green Bond does not constitute an event of default or termination event under the Loan. Neither are Creditors entitled to early payment, repurchase or

redemption of the Loan, or other type of compensation for non-compliance with the Green Terms. Consequently, there is a risk for investors in Green Loans that the Loan will cease to be classified as a Green Loan.

#### Benchmark Rates

STIBOR, EURIBOR, NIBOR and other rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform in order to ensure the reliability of reference rates. Some of these reforms are already effective whilst others are still to be implemented. These reforms may affect how certain benchmarks are determined and developed, and may further cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any MTN linked to or referencing such a "benchmark".

The so-called Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) entered into force on 1 January 2018. The Benchmark Regulation regulates the provision of benchmarks, reporting of data bases for benchmarks and use of benchmarks within the EU. It will, inter alia, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Since the Benchmark Regulation has only been applied for a limited period of time, the effects of it so far are difficult to assess. However, there are future risks that the Benchmark Regulation may affect how certain benchmarks are determined and how they are developed.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could, in conjunction with increased administrative requirements, increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. This can in turn lead to a reduced number of players involved in the determination of reference rates, which may lead to a certain reference interest ending being published.

Should such a rate or index, deemed to be a benchmark, be linked to a particular MTN, it may adversely affect the holder of such MTN, in particular if methodology or other terms of a benchmark are changed in order to comply with the requirements of the Benchmarks Regulation.

## Description of Kungsleden

### General corporate information

The Company's legal name is Kungsleden AB (publ), and its registration number is 556545-1217 and its LEI code is 5493005OXRTBK0WSJN46. The registered address is at P.O. Box 70414, 107 25 Stockholm, Sweden. The Company was registered with the Swedish Companies Registration Office (*Bolagsverket*) on 14 August 1997. The Company is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). Kungsleden applies the Swedish Code of Corporate Governance. The Company's website is [www.kungsleden.se](http://www.kungsleden.se). The information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.

Pursuant to the Company's articles of association, the object of the Company's business shall be to own and manage shares in companies with business in the real estate sector, and other business incidental thereto.

Under its current articles of association, the Company's share capital shall be not less than SEK 32,000,000 and not more than SEK 128,000,000, divided into not fewer than 76,800,000 shares and not more than 307,200,000 shares. Under the articles of association, the Company may issue common shares or preference shares. As at the date of this Base Prospectus, only common shares have been issued, and the Company's registered share capital is SEK 91,001,375.83 represented by 218,403,302 shares. Each share has a quota value of SEK 0.42. The Company's shares are listed on the regulated market of Nasdaq Stockholm since June 1999.

Kungsleden AB (publ) is part of a corporate group in which it is the ultimate parent. The Company's operations mainly consist of owning shares in the operating subsidiaries. It is therefore dependent upon distributions from its subsidiaries. The Company's shareholding of directly owned subsidiaries as of 31 December 2019 is outlined in the table below.

Name of directly owned subsidiary, registered office	Registration number	Shareholding and votes
Kungsleden Fastighets AB, Stockholm (Sweden)	556459-8612	100%
Kungsleden Syd AB, Stockholm (Sweden)	556480-0109	100%
Kungsleden Mattan AB, Stockholm (Sweden)	556718-3354	100%
Kungsleden Friab AB, Stockholm (Sweden)	556742-6548	100%
Kungsleden Kalinka Holding AB, Stockholm (Sweden)	556844-2957	100%
Kungsleden Holding GmbH, Munich (Germany)	HRB166084	100%
Kungsleden Balsberget AB, Stockholm (Sweden)	556919-3013	100%
Kungsleden Vegaholding AB, Stockholm (Sweden)	556919-3047	100%
Kungsleden Kebnekaise AB, Stockholm (Sweden)	556968-3187	100%
Kungsleden Grönberget Holding AB, Stockholm (Sweden)	556990-0805	100%
Kungsleden Grönberget AB, Stockholm (Sweden)	556989-0410	100%
Kungsleden Tegel AB, Stockholm (Sweden)	559025-8298	100%
Kungsleden Holdmix 3 AB, Stockholm (Sweden)	559007-2665	100%
Kungsleden Holdmix 4 AB, Stockholm (Sweden)	559055-4431	100%
Kungsleden Lustfarm AB, Stockholm (Sweden)	556654-9720	100%
Kungsleden Isskrapan AB, Stockholm (Sweden)	559084-5870	100%

## Principal shareholders<sup>2</sup>

As of 31 December 2019, the Company had 20,489 shareholders. The ten largest shareholders as of 31 December 2019, are listed below.

Name of shareholder	Number of shares	Percentage of votes and share capital
Gösta Welandson with company	31,637,781	14.5%
BlackRock	10,923,681	5.0%
APG Asset Management	7,957,592	3.6%
Olle Florén with companies	6,750,797	3.1%
Vanguard	6,534,259	3.0%
Norges Bank	5,448,289	2.5%
BMO Global Asset Management	5,314,483	2.4%
Handelsbanken Investment Funds	5,050,000	2.3%
Catella Investment Funds	3,436,093	1.6%
Nordea Investment Funds	3,161,210	1.4%
<b>10 largest shareholders</b>	<b>86,214,185</b>	<b>39.5%</b>
Foreign shareholders, other	57,504,458	26.3%
Swedish shareholders, other	74,684,659	34.2%
<b>Total</b>	<b>218,403,302</b>	<b>100.0%</b>

## Business of the Group

### Business idea and strategy

Kungsleden's business concept is to long-term own, actively manage, improve and develop commercial properties in growth regions in Sweden. Kungsleden's customers are a cross section of Swedish private and public sector companies ranging from small to larger enterprises, local authorities and county councils.

Kungsleden's strategy is to offer suitable properties with attractive rents, maintaining a close dialogue and long term relationships with customers and meeting different customer preferences via innovative and practical solutions. Kungsleden manages and improves its property portfolio by making regular investments in properties, by ensuring that all property holdings are of a quality and standard that will reward long-term and sustainable management and by having good knowledge of the potential of each property. The long-term goal of Kungsleden is to be the most profitable and successful property company in Sweden.

### History

The Company emerged from the banking crisis of the 1990's, and government corporations Retriva AB and Securum AB. When the property bubble burst, banks found themselves with substantial property portfolios, which they just wanted to get off their hands.

This marked the birth of Kungsleden—as a temporary crisis solution to manage Gota Bank AB's held property assets. Gota Bank formed a subsidiary grouping, Retriva, with Kungsleden as this group's property company.

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<sup>2</sup> Monitor by Modular Finance AB. Consolidated and processed data from for instance Euroclear, Morningstar and Finansinspektionen.

Some of the market's biggest institutional investors bought the company in 1997, creating secure long-term ownership for its future. The seller was the then-principal owner, government management corporation Agilia Holding AB. The business concept was realigned to its current orientation, and Kungsleden was listed on the stock market in 1999 with a property portfolio worth SEK 5 billion.

In 2013 a new strategy was developed which marked the beginning of a new Kungsleden. Today, Kungsleden is a long-term owner of commercial properties focusing on actively managing, improving and developing the portfolio.

#### Business areas

The Group's core business, Property Management, is divided in three regions, each with a Head of Real Estate who is responsible for the daily management and leasing operations within their region. The Property Management organisation also includes market asset managers and leasing managers. They are supported by a number of group functions based at the head office in Stockholm, such as Property Development and Transactions & Analysis. The three regional managers report directly to the CEO.

#### Properties

As of 31 March 2020, the property holdings of the Group consisted of 209 properties. The total book value was MSEK 38,912 and the leasable area was 1,996 thousand square meters.

The property portfolio is organized into four categories – Office, Industrial/Warehouse, Retail and Other. As of 31 March 2020, Office accounted for 75 per cent of the book value of the property portfolio, Industrial/Warehouse accounted for 15 per cent, Retail accounted for 4 per cent and Other accounted for 6 per cent.

The Group is organized into four main geographic regions - Stockholm, Västerås, Gothenburg and Malmö. As of 31 March 2020, the book value of the property portfolio by region was 47 per cent in Stockholm, 18 per cent in Västerås, 11 per cent in Gothenburg, 11 per cent in Malmö and 13 per cent in regional cities and other.<sup>3</sup>

#### Credit rating

As of the date of this Base Prospectus Kungsleden has been assigned an Investment Grade rating of Baa3 with a stable outlook from Moody's Investors Service Limited ("Moody's"). The credit rating was upgraded to Investment Grade Baa3 with stable outlook by Moody's on 20 June 2019. Moody's has published credit ratings reflecting the assessment of the creditworthiness of the Company, i.e. its ability to fulfil in a timely manner payment obligations, such as principal or interest payments on long-term loans, also known as debt servicing. Moody's is established within the European Union and is registered in accordance with regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended through regulation (EU) No 513/2011 of the European Parliament and of the Council of 11 May 2011 on credit rating agencies (the "Regulation").

In general, European regulated investors are restricted under the Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the Regulation. However, this does not apply if the credit rating is issued by a credit rating agency that has been active in the EU before 7 June 2010 and who has applied for registration in accordance with the Regulation unless the application has been rejected.

MTN issued under the Programme may be rated or unrated. Where a MTN is rated, such rating will not necessarily be the same as the rating described above. The rating(s) assigned to any particular tranche of MTN issued under the Programme will be disclosed in the Final Terms.

The rating does not always reflect the risk associated with MTN. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the MTN issued under the Programme.

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<sup>3</sup> Source: Kungsleden AB (publ) interim financial report for the period 1 January – 31 March 2020.

Credit rating is a way of evaluating credit risk. For more information about credit rating, visit [www.moodys.com](http://www.moodys.com).

Below are reference scales of Moody's.

<b>Risk classification*</b>	<b>Moody's</b>
Highest credit quality	Aaa
Very high credit quality	Aa
High credit quality	A
Good credit quality	Baa
Speculative (non-investment grade)	Ba
Highly speculative	B
Substantial credit risk	Caa
Very high levels of credit risk	Ca

\* The concept of risk classification differs between credit rating agencies. Within the risk classification categories, Moody's (1), (2) or (3) which indicates the relative strength of each category.

## Board of Directors, senior management and auditors

### Board of Directors

Pursuant to the Company's articles of association, the Board of Directors shall consist of no less than three and no more than eight members, with no more than two deputy members, elected by the general meeting of the shareholders. The Board currently consists of seven members elected by the general meeting of the shareholders (elected on the annual general meeting in 2020 until the annual general meeting in 2021). Below are the names and current positions of the members of the Board of Directors of the Company.

Charlotte Axelsson

*Born 1948. Chairman of the Board since 2018 and Board member since 2014.*

**Principal education:** BSc in Economics and Social Studies.

**Other on-going principal assignments:** Chairman Vasallen AB and Stockholms Kooperativa Bostadsförening.

Ingalill Berglund

*Born 1964. Board member since 2017.*

**Principal education:** University studies.

**Other on-going principal assignments:** Board Member Scandic Hotels Group AB, Veidekke ASA, Axfast AB (publ), Bonnier Fastigheter AB, Balco Group AB, Juni Strategi och Analys AB, Fastighets AB Stenvalvet (publ) and the Danvik Hospital Foundation.

Charlotta Wikström

*Born 1958. Board member since 2009.*

**Principal education:** MSc in Business and Economics.

**Other on-going principal assignments:** Senior Advisor Stardust Consulting AB. CEO Floréna Fastighets AB and Kampanilen Förvaltnings AB. Chairman Stardust Search AB. Board Member African Nuts&Seeds AB, Floréna Fastighets AB, Kampanilen Förvaltnings AB, Stardust Holding AB and Forsen Group AB.

Jonas Bjuggren

*Born 1974. Board member since 2018.*

**Principal education:** MSc in Engineering.

**Other on-going principal assignments:** Management director Akademiska Hus.

Christer Nilsson

*Born 1955. Board member since 2019.*

**Principal education:** Engineering.

**Other on-going principal assignments:** Runs own business with interim assignments within management, construction and real property issues, project management and business development.

Jonas Olavi

*Born 1967. Board member since 2020.*

**Principal education:** MPhil in Economics.

**Other on-going principal assignments:** Independent financial analyst and stock exchange columnist for Aktiespararen.

Fredrik Wirdenius

*Born 1961. Board member since 2020.*

**Principal education:** MSc in Engineering.

**Other on-going principal assignments:** Chairman Willhem AB (publ) and HållBo AB. Board Member AxFast AB (publ), Scandic Hotels Group AB (publ) and 3E Property AB.

### Senior Management

The Senior Management consist of a team of 10 persons. The section below sets forth the name and current position of each member of the Senior Management.

Biljana Pehrsson

*Born 1970. CEO since 2013.*

**Prior experience:** Deputy CEO/Head of Real Estate at East Capital Private Equity, CEO Centrumutveckling. Board member of Kungsleden during 2011–2013

**Other on-going principal assignments:** Board member of East Capital Baltic Property Fund AB and Kungliga Dramatiska teatern AB.

Ylva Sarby Westman

*Born 1973. Deputy CEO since 2015 and CFO since 2020.*

**Prior experience:** Chief Investment Officer at Kungsleden, Deputy CEO at Newsec Investment AB, Real Estate Development Manager at NCC Property Development AB.

**Other on-going principal assignments:** Board member of Ikano Bostad AB and Eastnine AB (publ).

Mats Eriksson

*Born 1963. Regional manager Västerås and Mälardalen since 2015.*

**Prior experience:** Business Manager Retail Newsec Asset Management, Head of Property Development ICA Fastigheter AB, Business Area Manager at NIAM AB and Property Manager at Siab AB.

**Other on-going principal assignments:** Board member of Västerås City urban coop.

Ulrica Sjöswärd

*Born 1974. Regional manager Göteborg / Malmö since 2017.*

**Prior experience:** Regional manager Platzter Fastigheter AB, Regional manager ICA Fastigheter AB.

**Other on-going principal assignments:** -

Sven Stork

*Born 1967. Regional manager Stockholm since 2014.*

**Prior experience:** Key Account Manager at Newsec Asset Management, Asset Manager Niam AB, Project Manager at NCC Property Development AB.

**Other on-going principal assignments:** Chair of the board of Kista Science City Fastighetsägare.

Frida Stannow Lind

*Born 1967. Head of Business Development since 2013.*

**Prior experience:** Property Manager at Drott, Investment Manager at Niam, Property Manager at Ebab.

**Other on-going principal assignments:** Chairman of Kista Science City AB.

Malin Axland

*Born 1974. Legal Counsel since 2007 and General Counsel since 2013.*

**Prior experience:** Lawyer at Mannheimer Swartling, law clerk at Huddinge District Court.

**Other on-going principal assignments:** -

Hanna Brandström

*Born 1980. Head of People and Culture since 2017.*

**Prior experience:** HR Manager General Motors Nordic and Opel/Chevrolet Sverige AB. General Manager, HR & Legal SC Motors Sweden AB.

**Other on-going principal assignments:** -

Fredrik Sandell

*Born 1984. Head of Treasury since 2016.*

**Prior experience:** Financial analyst at Kungsleden. Administrator Fund management at Skandiabanken.

**Other on-going principal assignments:** -

Anna Trane

*Born 1968. Head of Communications since 2020.*

**Prior experience:** Director & Head of Corporate Media Relations NCC, Press & PR Manager Cybercom, presenter and financial commentator Swedish Television (SVT).

**Other on-going principal assignments:** -

#### **Auditors**

Ernst & Young AB (P.O. Box 7850, 103 99 Stockholm, Sweden) is the Company's auditor since 2016. Jonas Svensson, born 1968 is auditor in charge. Jonas Svensson is authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

#### **Business address**

The address for all board members and members of the senior management is c/o Kungsleden AB (publ), Box 70414, 107 25 Stockholm, Sweden.

#### **Conflicts of interest**

No board member or member of senior management has any personal interests that could conflict with the interests of the Company. Several board members and members of the Senior Management have a financial interest in the Group as a consequence of being shareholders in the Company.

## **Legal considerations and supplementary information**

### **Authorisations and responsibility**

The Company has obtained all necessary resolutions, authorisations and approvals required in conjunction with the MTN and the performance of its obligations relating thereto. The programme for the issuance of MTN was authorised by a resolution of the Board of Directors of the Company on 5 September 2017. In accordance with a resolution of the Board of Directors of the Company on 25 April 2018, the total nominal amount of MTN was increased from SEK 5,000,000,000 (or the equivalent in EUR) to SEK 8,000,000,000 (or the equivalent in EUR).<sup>4</sup> Further, the total nominal amount of MTN was increased from SEK 8,000,000,000 (or the equivalent in EUR) to SEK 12,000,000,000 (or the equivalent in EUR) in accordance with a resolution of the Board of Directors of the Company on 22 April 2020.<sup>5</sup> In accordance with a resolution of the Board of Directors of the Company on 25 April 2019, the Company is able to issue MTN in NOK.

The Company accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that this is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of the Company is, to the extent provided by law, responsible for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Prospectus has been approved by the Swedish Financial Supervisory Authority, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The Swedish Financial Supervisory Authority only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such 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 subject of this Base Prospectus. Investors should make their own assessment as to suitability of investing in the Notes.

### **Material agreements**

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

### **Shareholders' agreement**

As far as the Board of Directors of the Company is aware, there are no shareholders' agreements or other arrangements that could result in a change of control of the Company. As far as the Board of Directors of the Company is aware no person exercises direct or indirect control over the Company.

### **Legal and arbitration proceedings**

The Group is currently and may from time to time be subject to disputes, claims and administrative proceedings as a part of the ordinary course of business. However, the Group is not now and has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Company is aware of) during the previous 12 months from the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Company's and/or the Group's result or financial position.

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<sup>4</sup> The increase of the total nominal amount of MTN has been agreed between the Company and the Issuing Dealers by way of an amendment agreement, dated 29 May 2018.

<sup>5</sup> The increase of the total nominal amount of MTN has been agreed between the Company and the Issuing Dealers by way of an amendment agreement, dated 25 May 2020.

### **Certain material interests**

The Arranger and the Dealers (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Company 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 Arranger and the Dealers having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

### **Trend information**

There has been no material adverse change in the prospects of the Company since 31 December 2019, being the end of the last audited financial information of the Company. There has been no material events specific for the assessment of the Company's solvency.

### **Significant changes since 31 March 2020**

There have been no significant changes in the financial performance of the Group, or the financial or trading position of the Company or the Group since 31 March 2020, being the end of the last financial period for which interim financial information of the Company was presented to the date of the Base Prospectus.

### **Incorporation by reference**

The information on the websites hyperlinked in this Base Prospectus does not form part of this Base Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority, unless the information has been incorporated by reference.

The following information has been incorporated into this Base Prospectus by reference and made available on the Company's website at [www.kungsleden.se/en/investors/reports-and-presentations/](http://www.kungsleden.se/en/investors/reports-and-presentations/). The incorporated information should be read as part of the Base Prospectus.

[Annual report for the financial year 2018](#), in respect of the audited consolidated financial information and the audit report on the following pages:

- 72-73 (Consolidated income statement)
- 72 (Consolidated statement of comprehensive income)
- 74-75 (Consolidated statement of financial position)
- 76 (Consolidated statement of changes in equity)
- 76-77 (Consolidated statement of cash flows)
- 78-91 (Notes to the consolidated financial statements)
- 92 (Parent company's income statement)
- 92 (Parent company's statement of comprehensive income)
- 93 (Parent company's balance sheet)
- 94 (Parent company's statement of changes in equity)
- 94 (Parent company's statement of cash flows)
- 95-98 (Notes to the parent company financial statements)
- 100-102 (Auditor's report)

[Annual report for the financial year 2019](#), in respect of the audited consolidated financial information and the audit report on the following pages:

- 99 (Consolidated income statement)
- 99 (Consolidated statement of comprehensive income)
- 100 (Consolidated statement of financial position)
- 101 (Consolidated statement of changes in equity)
- 101 (Consolidated statement of cash flows)
- 102-117 (Notes to the consolidated financial statements)
- 118 (Parent company's income statement)
- 118 (Parent company's statement of comprehensive income)
- 119 (Parent company's balance sheet)
- 120 (Parent company's statement of changes in equity)
- 120 (Parent company's statement of cash flows)

- 121-124 (Notes to the parent company financial statements)
- 126-127 (Auditor's report)

[Interim report for the first quarter 2020](#) as regards the unaudited consolidated financial information (including comparable numbers for the fourth quarter 2019) on pages:

- 4 (Income statement)
- 4 (Statement of comprehensive income)
- 7 (Statement of Group balance sheet)
- 7 (Statement of changes in equity)
- 17 (Statement of cashflows)
- 21 (Parent company's income statement – in summary)
- 21 (Parent company's balance sheet – in summary)

Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the MTN or is covered elsewhere in the Base Prospectus.

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

#### Previous base prospectus

The following parts of the Company's previous base prospectus for the MTN Programme describe the terms and conditions for MTN issued prior to the date of this Base Prospectus and for which tap issues may become relevant under this Base Prospectus.

*Link to Kungsleden's previous base prospectus for the MTN Programme:*

<https://www.kungsleden.se/investerare/finansiering/kapitalmarknadsprodukter/>

<b><i>Date of previous base prospectus</i></b>	<b><i>Loan Date for final terms, which are incorporated</i></b>	<b><i>Refers to notes with no.</i></b>	<b><i>ISIN</i></b>
29 May 2019 with terms and conditions on page 27-44	2020-01-23	MTN 114 (green)	SE0012194009
	2019-12-06	MTN 113 (green)	SE0013103801
	2019-12-06	MTN 112 (green)	SE0013103793
	2019-09-17	MTN 111	SE0012676500
	2019-08-22	MTN 110	SE 0012676468
31 May 2018 with terms and conditions on page 25-41	2019-03-07	MTN 109:3 (green)	SE0011869692
	2019-04-17	MTN 109:2 (green)	SE0011869692
	2019-03-07	MTN 109 (green)	SE0011869692
	2018-09-28	MTN 108	SE0010599357
	2018-06-13	MTN 107 (green)	SE0010832873
25 September 2017 with terms and conditions on page 23-39	2018-03-22	MTN 106:2 (green)	SE0010599118
	2018-03-21	MTN 106 (green)	SE0010599118
	2018-03-21	MTN 105 (green)	SE0010599100

	2018-01-18	MTN 104:3	SE0010769802
	2018-01-18	MTN 104:2	SE0010769802
	2018-01-18	MTN 104	SE0010769802
	2018-01-18	MTN 103	SE0010769794
	2017-10-11	MTN 102	SE0010442715
	2017-10-11	MTN 101	SE0010442707

#### **Documents available for inspection**

Paper copies of the documents are available at the Company's office, Warfvinges väg 31, Stockholm, and website ([www.kungsleden.se](http://www.kungsleden.se)) during the validity of the Base Prospectus (regular office hours):

- the Company's articles of association;
- the Company's annual reports (including auditor's report) for the financial years 2018 and 2019;
- the Company's interim report for the first quarter 2020; and
- the annual reports (including auditor's report) of all subsidiaries of the Company for the financial years 2018 and 2019.

## Terms and Conditions

These terms and conditions (the “**Terms and Conditions**”) shall apply to any and all loans that Kungsleden AB (publ) (Reg. No. 556545-1217) (the “**Company**”) issues on the capital market under this programme (this “**MTN Programme**”) by issuing notes with a term of not less than one year, so called Medium Term Notes.

The Company intends to appoint an issuing and paying agent (“**IPA**”) and enter into an issuing and paying agent agreement (“**IPA Agreement**”) where IPA, on behalf of the Company, in respect of MTN issued in Norwegian Kroner, will establish and manage the Company’s Securities Account in Verdipapirsentralen ASA and register the Company’s issues of MTN in VPS and execute payment of interest or Loan Amount in respect of MTN issued in Norwegian Kroner.

### 1. DEFINITIONS

1.1 In addition to the definitions set forth above, the following terms shall have the meaning given below.

“**Account Operator**” means a bank or other person duly authorised to operate as an account operator pursuant to (a) the Financial Instruments Accounts Act or (b) the Norwegian Securities Register Act; and through which a Noteholder has opened a Securities Account in respect of its MTN.

“**Adjusted Loan Amount**” means the Loan Amount less the amount of all MTN owned by the Company or another Group Company, whether the Company or that Group Company is directly registered as owner of such MTN or not.

“**Agent**” means Nordic Trustee & Agency AB (publ) (Reg. No. 556882-1879), or another agent which may replace it as an agent in accordance with Clause 17 (*Replacement of Agent*).

“**Agency Agreement**” means the agreement between the Company and the Agent whereby the Agent is appointed and instructed to act as an Agent in accordance with the Loan Terms.

“**Base CPI**” means the relevant rate of inflation determined at the date specified in the Final Terms.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer’s Eve, Christmas Eve and New Year’s Eve shall for the purpose of this definition be deemed to be public holidays. In respect of MTN issued in Norwegian Kroner, a day in Norway other than a Saturday, Sunday or other public holiday and which, as regards payment of MTN, is a day that the Norwegian Central Bank’s and VPS’s settlement system are open.

“**Calculation Agent**” means (i) if a Loan has been issued by two or more Issuing Dealers, the Issuing Dealer designated by the Company to be responsible for certain administrative tasks regarding the Loan in accordance with the Final Terms; and (ii) if a Loan has been issued by only one Issuing Dealer, the Issuing Dealer.

“**Children and Parents Code**” means the Swedish Children and Parents Code (Swe: *föräldrabalken (1949:381)*).

“**Companies Act**” means the Swedish Companies Act (Swe: *aktiebolagslagen (2005:551)*).

“**CPI**” means consumer price index or – if CPI has ceased to be determined or published – an equivalent index with respect to consumer prices in Sweden as determined or published by Statistics Sweden (SCB) or the body which, in SCB’s place, determines or publishes such index. In the event an index series is changed, the new index shall be recalculated to the index series on which the Base CPI is based.

“**CSD**” the central securities depository and registrar in which MTN are registered as specified in the Final Terms and is any of the following: (i) Euroclear Sweden in respect of MTN issued in Swedish Kronor or Euro and (ii) VPS in respect of MTN issued in Norwegian Kroner.

“**Day Count Convention**” means, when calculating an amount for a certain reference period, the stated basis of calculation and which:

- (a) if the calculation method **"30/360"** is specified as applicable, means that the amount is to be calculated based on a year with 360 days consisting of twelve months each consisting of 30 days; and
- (b) if the calculation method **"actual/360"** is specified as applicable, means that the amount is to be calculated on the actual number of days elapsed in the relevant period divided by 360.

**"Dealers"** means in relation to:

- (a) MTN issued in Swedish Kronor or Euro: Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ), Swedbank AB (publ), Arctic Securities AS, filial Sverige and every other dealer specially authorized by Euroclear Sweden to process and register issues in the Euroclear Sweden system, that accedes to this MTN Programme in accordance with Clause 13.2, however, only as long as such institution has not retired as a dealer; and
- (b) MTN issued in Norwegian Kroner: Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ), Swedbank AB (publ), Arctic Securities AS, filial Sverige and every other dealer that accedes to this MTN Programme in accordance with Clause 13.2, however, only as long as such institution has not retired as a dealer.

**"Debt Register"** means the register, held by (i) Euroclear Sweden in respect of MTN issued in Swedish Kronor or Euro and (ii) VPS in respect of MTN issued in Norwegian Kroner, of Noteholders in relation to a Loan.

**"EURIBOR"** means:

- (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the relevant day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Calculation Agent at its request quoted by the Reference Banks, for deposits of EUR 10,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Calculation Agent best reflects the interest rate for deposits in Euro offered for the relevant period.

**"Euro"** and **"EUR"** means the single currency of the participating member states in accordance with the European Union's framework for the Economic and Monetary Union (EMU).

**"Euroclear Sweden"** means Euroclear Sweden AB (Reg. No. 556112-8074).

**"Final CPI"** means the relevant rate of inflation determined at the date specified in the Final Terms.

**"Final Terms"** means the final terms established for a particular Loan under this MTN Programme in accordance with Appendix 1 (*Form of Final Terms*).

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (Swe: *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

**"Group"** means the Company and its subsidiaries from time to time (where the term subsidiary has the meaning as defined in the Companies Act).

**"Group Company"** means a company which is a part of the Group.

**"Interest Rate"** means the rate of interest applicable to a Loan, as specified in the Final Terms.

**“Issuing Dealer”**, means, in accordance with the Final Terms, that or those Dealers through which a particular Loan has been issued under this MTN Programme.

**“Limitations Act”** means the Swedish Limitations Act (Swe: *preskriptionslag (1981:130)*).

**“Loan”** means every Loan, comprising of one or more MTN, issued by the Company under this MTN Programme.

**“Loan Amount”** is the aggregate Nominal Amount of MTN with regards to a particular Loan.

**“Loan Date”** means, in accordance with the Final Terms, the date from which interest (if applicable) shall begin to accrue.

**“Loan Terms”** means, for a particular Loan, these Terms and Conditions and the Final Terms for such Loan.

**“Material Group Company”** means the Company and each Group Company representing (on a consolidated basis) more than five per cent of the consolidated total assets of the Group, as set out in the most recently published audited financial statements of the Company.

**“Maturity Date”** means, in accordance with the Final Terms, the date when MTN shall be repaid.

**“MTN”** means a unilateral debt instrument in the Nominal Amount which has been registered in accordance with the Financial Instruments Accounts Act in respect of MTN issued in Swedish Kronor or Euro, or the Norwegian Securities Register Act in respect of MTN issued in Norwegian Kroner, and which is part of a Loan issued by the Company under this MTN Programme.

**“NIBOR”** means:

- (a) the interest rate based on quotes from the NIBOR panel banks for unsecured money market lending in NOK to another bank which is administered by Norske Finansielle Referanser AS and calculated and published by Global Rate Set Systems (or any successor to it), at approximately 12:00 (Oslo time) on the Interest Determination Date for a period comparable to the applicable Interest Period; or
- (b) if no interest rate for a comparable interest period is available for the relevant Interest Period, the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
- (c) if no screen rate is available for the relevant Interest Period pursuant to paragraph (a) and (b), the interest rate will be the arithmetic mean of the rates as supplied to the Calculation Agent at its request quoted by the Reference Banks for loans of NOK 100,000,000 for the relevant period; or
- (d) the interest rate which according to the reasonable assessment of the Calculation Agent in consultation with the Company is a corresponding reference rate generally accepted in the market; or if no interest rate is available pursuant to the above, the interest rate that the Calculation Agent determines best reflects the interest rate for deposits in NOK offered for the relevant interest period.

**“Nominal Amount”** means the amount of each MTN as stated in the Final Terms (reduced by any repaid amount).

**“Norwegian Kroner”** and **“NOK”** means the lawful currency of Norway.

**“Norwegian Securities Register Act”** means the Norwegian Securities Register and Settlement Act (No. Lov av 15. mars 2019 nr 6 om verdipapirsentraler og verdipapiroppgjør) (as amended or replaced in full or in part).

**“Noteholder”** means the person who is registered on a Securities Account as direct registered owner (Swe: *ägare*) or nominee (Swe: *förvaltare*) with respect to a MTN.

**“Noteholders’ Meeting”** means a meeting among the Noteholders held in accordance with Clause 12 (*Noteholders’ Meeting*).

**“Record Date”** means,

- (a) in relation to Euroclear Sweden, the fifth Business Day (or another Business Day which is market practice on the Swedish bond market), prior to (i) the payment date for interest or principal in accordance with the Loan Terms; or (ii) another relevant date and,
- (b) in relation to VPS, the date designated as the relevant Record Date in accordance with the rules of VPS from time to time.

**“Reference Banks”** means Nordea Bank Abp, filial i Sverige, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) or such replacing banks appointed by the Calculation Agent.

**“Regulated Market”** means any regulated market as defined in Directive 2004/39/EC on markets in financial instruments (or any replacing or supplementing legal act).

**“Redemption Date”** means the date on which a Loan is repaid in accordance with Clause 9.2 (*Early redemption on change of control*).

**“Securities Account”** means the account maintained by the relevant CSD 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, in accordance with applicable law of the relevant country.

**“STIBOR”** means:

- (a) the interest rate calculated and distributed by the Swedish Financial Benchmark Facility (or the replacing administrator or calculation agent) for the current day and published on the information system Reuters page "STIBOR = Q" (or through such other system or on such other page as replaces the said system or page ); or, if no such rate is available,
- (b) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Calculation Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Calculation Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

**“Stock Market (Takeover Bids) Act”** means the Swedish Stock Market (Takeover Bids) Act (Swe: *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*).

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

**“VPS”** Verdipapirscentralen ASA, (Reg. No. 985 140 421).

- 1.2 When ascertaining whether a limit or threshold expressed in Swedish Kronor has been reached or exceeded, an amount in another currency shall be counted on the basis of the rate of exchange on the previous Business Day which is published on Reuters site “SEKFIX=” (or through other such system or on another site which replaces the aforementioned system or site) or, if no such rate is published, the rate of exchange for such currency against Swedish Kronor for the mentioned date, as published by the Swedish Central Bank (Riksbanken) on its website ([www.riksbank.se](http://www.riksbank.se)).
- 1.3 Further definitions such as Green Loan, Interest Rate, Interest Commencement Date, Settlement Date, Base Rate, Margin, Interest Determination Date, Interest Payment Date(s), Interest Period and Currency are set out (if applicable) in the Final Terms.
- 1.4 The definitions set out in in these Terms and Conditions shall apply to the Final Terms.

## **2. ISSUE OF LOANS**

- 2.1 Under this MTN Programme the Company may issue MTN, denominated in Swedish Kronor, Norwegian Kroner or in Euro, with a maturity of at least one year. Under a Loan, MTN may be issued in multiple tranches without the approval of any Noteholder under the relevant Loan, provided that the terms of such tranches are identical with the exception of Settlement Date, Loan Amount, Price per MTN and Issuing Dealer.
- 2.2 By subscribing to MTN each initial Noteholder approves that its MTN shall be governed by the Loan Terms. By acquiring MTN each new Noteholder confirms such approval.
- 2.3 The Company undertakes to make payments in respect of issued MTN in accordance with the Loan Terms and to comply with the Loan Terms for MTN.
- 2.4 If the Company wishes to issue MTN under this MTN Programme the Company shall enter into a separate agreement for this purpose with one or more Dealers which shall be the Issuing Dealers for such Loan. Final Terms shall be established in relation to each particular Loan, which together with these Terms and Conditions shall constitute the full Loan Terms.

## **3. REGISTRATION OF MTN**

- 3.1 MTN shall be registered on a Securities Account on behalf of Noteholders and, accordingly, no physical MTN will be issued. Registration requests relating to MTN shall be directed to an Account Operator.
- 3.2 Issue, clearing, settlement and registration of MTN (i) in Swedish Kronor or Euro are handled by Euroclear Sweden as CSD and (ii) in Norwegian Kroner are handled by VPS as CSD.
- 3.3 Those who according to assignment, pledge, the provisions of the Children and Parents Code, conditions of will or deed of gift or otherwise have acquired a right to receive payment in respect of a MTN shall procure for registration of their right to receive payment.
- 3.4 The Agent shall be entitled to obtain information from the relevant CSD regarding the contents of the Debt Register for purposes of carrying out their duties in accordance with these terms and conditions and if the relevant CSD permits, for other purposes, and shall not disclose such information to any Noteholder or third party unless necessary for such purposes. The Agent shall not be responsible for the content of such excerpt or in any other way be responsible for verifying who is a Noteholder.
- 3.5 The Company shall, if necessary for the Agent to be able to obtain information in accordance with Clause 3.3 above, issue a power of attorney for individuals employed by the Agent (as specified by the Agent) in order for these individuals to independently obtain information from the Debt Register. The Company may not revoke such power of attorney except if the Agent so instructs the Company, or gives its approval to the Company.

## **4. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 4.1 If any person other than a Noteholder wishes to exercise the Noteholder's rights under the Loan Terms or vote at a Noteholders' Meeting, that person must present the Agent with a power of

attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder.

- 4.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some, or all, of the MTN held by the Noteholder. Any such representative may act independently and may further delegate its right to represent the Noteholder.

## 5. PAYMENTS

- 5.1 Payment in respect of MTN denominated in Swedish Kronor shall be made in Swedish Kronor, payment in respect of MTN denominated in Norwegian Kroner shall be made in Norwegian Kroner and payment in respect of MTN denominated in Euro shall be made in Euro.

- 5.2 Payment in respect of MTN shall be made to the person who is registered as a Noteholder on the Record Date for the respective payment date or to such person who is registered with the relevant CSD on the Record Date as being entitled to receive such payment.

- 5.3 The Company intends to appoint IPA to facilitate payments of interest and repayment of principal amounts for MTN issued in Norwegian Kroner and to provide IPA with necessary funds for this purpose.

- 5.4 The Company undertakes to, for as long as any MTN issued in Norwegian Kroner registered with VPS are outstanding, procure that payments of interest and repayment of principal amounts for such MTN may be made by IPA in accordance with to the provisions of the IPA Agreement, these Terms and Conditions and the rules and regulations of VPS at any time in respect of registration, clearing and settlement.

- 5.5 If a Noteholder has registered, through an Account Operator, that principal or interest shall be deposited into a certain bank account, such deposit shall be effected by the relevant CSD on the relevant payment date. In any other case, the relevant CSD shall transfer the amount on the respective payment date to the Noteholder to the address registered with the relevant CSD on the Record Date. Should the relevant CSD, due to a delay on behalf of the Company or due to any other obstacle, not be able to effect payments as aforesaid, the Company shall ensure that such payments are made to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 5.6 The Company is entitled to postpone its payment obligations, if the Company cannot fulfil payment obligations through the IPA or the relevant CSD due to an obstacle for the IPA or the relevant CSD. In the case of such postponement, interest shall accrue in accordance with Clause 7.2.

- 5.7 If payment is made in accordance with this Clause 5, the Company and the relevant CSD shall be deemed to have fulfilled their payment obligations, irrespective of whether such payment was made to a person not entitled to receive such amount. However, this shall not apply if the Company or the relevant CSD were aware that payment was made to a person not entitled to receive the payment.

## 6. INTEREST

- 6.1 Interest (if any) on a particular Loan is calculated in accordance with the Final Terms.

- 6.2 The basis for interest calculation shall be stated in the Final Terms according to one of the following alternatives:

(a) Fixed Rate

If a Loan denominated in Swedish Kronor or Euro is specified as a Loan with Fixed Rate the Loan will bear interest at the Interest Rate from, but excluding, the Loan Date up to and including the Maturity Date.

Interest accrued during each Interest Period is paid in arrears on the relevant Interest Payment Date and shall be calculated using the Day Count Convention 30/360 for Loans denominated in Swedish Kronor or Euro.

If a Loan denominated in Norwegian Kroner is specified as a Loan with Fixed Rate the Loan will bear interest at the Interest Rate from, and including, the Loan Date up to but excluding the Maturity Date.

Interest accrued during each Interest Period is paid in arrears on the relevant Interest Payment Date and shall be calculated using the Day Count Convention 30/360 for Loans denominated in Norwegian Kroner.

(b) Floating Rate (FRN)

If a Loan denominated in Swedish Kronor or Euro is specified as a Loan with Floating Rate the Loan will bear interest at the Interest Rate from, but excluding, the Loan Date up to and including the Maturity Date. The Interest Rate for the relevant Interest Period shall be calculated by the Calculation Agent on the respective Interest Determination Date and is the sum of the Base Rate and the Margin for the relevant period. If the Interest Rate calculated is less than zero, the Interest Rate shall be deemed to be zero.

If a Loan denominated in Norwegian Kroner is specified as a Loan with Floating Rate the Loan will bear interest at the Interest Rate from, and including, the Loan Date up to but excluding the Maturity Date. The Interest Rate for the relevant Interest Period shall be calculated by the Agent on the respective Interest Determination Date and is the sum of the Base Rate and the Margin for the relevant period. If the Interest Rate calculated is less than zero, the Interest Rate shall be deemed to be zero.

If the Interest Rate cannot be determined on the Interest Determination Date due to such obstacle as referred to in Clause 20.1, interest shall continue to accrue on the Loan at the interest rate applicable to the preceding Interest Period. As soon as the obstacle has been removed, the Calculation Agent shall, in respect of MTN issued in Swedish Kronor or Euro, and IPA shall in respect of MTN issued in Norwegian Kroner, calculate a new Interest Rate which shall be effective from the second Business Day following the day of the calculation until the expiration of the current Interest Period.

Interest accrued during each Interest Period will be payable in arrears on the relevant Interest Payment Date and shall be calculated using the Day Count Convention Actual/360 for Loans denominated in Swedish Kronor, Norwegian Kroner or Euro.

(c) Real Interest Rate

A Loan with real interest rate bears an inflation-protected interest from, but excluding, the Loan Date up to and including the Maturity Date. The Interest Rate may be fixed or floating and shall be calculated in the same manner as set forth above in Clause 6.2(a) or (b), and is multiplied with a number which is calculated by dividing Final CPI with Base CPI. The amount of interest linked to inflation for each Interest Period shall be notified to the Noteholders, in accordance with Clause 19 (*Notices*), when the Calculation Agent has determined the amount.

If the Interest Rate cannot be determined on the Interest Determination Date due to such obstacle as referred to in Clause 20.1, interest shall continue to accrue on the Loan at the interest rate applicable to the preceding Interest Period. As soon as the obstacle has been removed, the Calculation Agent shall, in respect of MTN issued in Swedish Kronor or Euro, and the Agent shall in respect of MTN issued in Norwegian Kroner, calculate a new Interest Rate which shall be effective from the second Business Day following the day of the calculation until the expiration of the current Interest Period.

(d) Zero Coupon

If the Loan is specified as a Zero Coupon Loan it bears no interest. Zero Coupon Loans may be issued at a discount and redeemed at an amount per MTN corresponding to the Nominal Amount or a proportion thereof.

6.3 If the Interest Payment Date for a Loan bearing a Fixed Interest Rate is not a Business Day, then interest will be paid on the next Business Day. Interest is calculated and accrued only up to and including the Interest Payment Date, in respect of payments in Swedish Kronor and Euro, and to but excluding the Interest Payment Date, in respect of payments in Norwegian Kroner.

6.4 If the Interest Payment Date for a Loan bearing Floating Rate is not a Business Day, then the next Business Day shall be considered the Interest Payment Date provided that such Business Day does not occur in a new calendar month, in which case the Interest Payment Date shall be the previous Business Day. Interest is calculated and accrued up to and including the Interest Payment Date, in respect of payments in Swedish Kronor and Euro, and to but excluding the Interest Payment Date, in respect of payments in Norwegian Kroner.

## **7. DEFAULT INTEREST**

7.1 In the event of any default in payment, default interest shall be payable on the overdue amount from its due date up to and including the date on which payment is made at a rate corresponding to the average of one week STIBOR for MTN denominated in Swedish Kronor, one week NIBOR for MTN denominated in Norwegian Kroner and one week EURIBOR for MTN denominated in Euro for the duration of the delay, plus two percentage points in each case. STIBOR, NIBOR and EURIBOR shall for this purpose be determined on the first Business Day in each calendar week for the duration of the period of default. Default interest, in accordance with this Clause 7.1, for interest-bearing Loans shall never be paid at a lower interest rate than the interest rate applicable to the relevant Loan on its relevant due date with the addition of two percentage points. Default interest shall not be capitalised.

7.2 If the default in payment is due to an obstacle affecting a Dealer, the Calculation Agent or any relevant CSD, default interest shall accrue at a rate corresponding to (i) for interest-bearing Loans, the interest rate applicable to the relevant Loan on its relevant due date; or (ii) for non-interest-bearing Loans, the average of one weeks STIBOR, NIBOR or EURIBOR respectively for the duration of the delay (whereby STIBOR, NIBOR and EURIBOR shall be determined the first Business Day of each calendar week for the duration of the period of default).

## **8. REDEMPTION AND REPURCHASE**

8.1 The Loan shall be redeemed on the Maturity Date at the amount per MTN stated in the Final Terms together with accrued interest (if any). If the Maturity Date is not a Business Day, redemption shall occur on first following Business Day.

8.2 The Final Terms may contain provisions which gives the Company a right or obligation to redeem all or part of Loan together with accrued interest (if any) prior to the Maturity Date.

8.3 The Company may, subject to applicable law, at any time and at any price repurchase MTN. MTN held by the Company may at the Company's discretion be retained, sold or cancelled.

## **9. EARLY REDEMPTION ON CHANGE OF CONTROL**

9.1 Each Noteholder has the right to request that its MTN under a Loan be redeemed prior to its stated Maturity Date:

- (a) in the event or series of events resulting in that a natural or legal person, alone or together with a person closely associated in accordance with the Stock Market (Takeover Bids) Act

- (i) control more than 50 per cent of the total outstanding shares or votes in the Company; or
- (ii) through agreement, or in any other way, alone (or together with such closely associated person as stated above) have the power to appoint a majority of the members of the Board of Directors of the Company; or

(b) the shares in the Company cease to be listed for trading on a Regulated Market.

9.2 The Company is obliged to, as soon as it becomes aware of a change of control pursuant to Clause 9.1 above, notify the Noteholders and the Agent in accordance with Clause 19 (*Notices*). The notice shall contain information on (i) how a Noteholder that wishes to exercise its right of redemption pursuant to this Clause 9 shall proceed; and (ii) the Redemption Date. Within 10 Business Days after having received such notice, a Noteholder that wishes to redeem MTN shall give notice to the Company.

9.3 The Redemption Date shall fall no earlier than 30 Business Days and no later than 40 Business Days after notice of the change of control has been submitted to the Noteholders in accordance with Clause 9.2, however, if the Redemption Date is not a Business Day the Redemption Date shall be the following Business Day.

9.4 If there is a right of redemption, the Company shall redeem the relevant MTN on the Redemption Date at the price per MTN that would have been paid on the Maturity Date together with accrued interest (if any). For MTN which is a Zero Coupon Loan the amount per MTN shall be calculated in accordance with Clause 11.8.

## 10. GENERAL UNDERTAKINGS

The Company undertakes, as long as any Loan is outstanding, to comply with the undertakings set out in this Clause 10.

### 10.1 Status of the Loan

The Company shall ensure that its payment obligations under the Loan rank at least *pari passu* with its other unsubordinated and unsecured payment obligations, except for those obligations which are mandatorily preferred by law.

### 10.2 Assets of the Company

The Company shall not dispose of all or substantially all of the fixed assets of the Group if such disposal would adversely affect the Company's ability to fulfil its payment obligations to the Noteholders.

### 10.3 Admission to trading on a Regulated Market

The Company undertakes to apply for admission on the relevant Regulated Market for Loans, which according to the Final terms shall be admitted to trading on a Regulated Market, and to take any measures that may be required to maintain the admission as long as the relevant Loan is outstanding, however, not longer than what is possible pursuant to applicable laws and regulations.

### 10.4 Availability of Loan Terms

Terms and Conditions and the Final Terms for all outstanding Loans shall be available on the Company's website and shall, without prior request, be provided to the Agent by the Company.

## 11. EVENTS OF DEFAULT

11.1 The Agent shall (i) following a written demand from Noteholders representing at least one-tenth of the Adjusted Loan Amount of the relevant Loan, or (ii) if decided on a Noteholders' Meeting by Noteholders of the relevant Loan, declare in written form, the relevant Loan together with interest (if any) due for payment immediately or at the date determined by the Agent or Noteholders' Meeting (if applicable), if:

- (a) the Company does not in due time pay principal or interest attributable to the Loan, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within three Business Days; or
- (b) the Company does not fulfil its obligations in accordance with the Loan Terms relating to the relevant Loan, other than those stated above in (a) (and excluding its obligations under the Green Terms), provided that:
  - (i) remedy is possible; and
  - (ii) the Agent has requested in writing that the Company shall remedy the non-compliance and that such remedy has not taken place within 15 Business Days after the request; or
- (c) (i) a Group Company does not, with respect to any other loan, fulfil its payment obligations in due time or during any applicable grace period, and the loan therefore has been accelerated, or could have been accelerated (or, if there are no provisions regarding acceleration or the missed payment should have been the final payment, the delay lasts more than 15 Business Days), provided that the outstanding debt under the relevant loan amounts to at least SEK 50,000,000 (or the equivalent in other currencies); or (ii) any other loan to a Group Company is declared due as a result of an event of default (however described), provided that the aggregate amount of debt due under such loan is at least SEK 50,000,000, (or the equivalent in other currencies); or
- (d) a Group Company, within 15 Business Day of receiving a rightful claim, does not fulfil a guarantee liability or guarantee that the Group Company has issued for an obligation of another party, provided that the aggregate amount of the claims which have not been fulfilled is at least SEK 50,000,000 (or the equivalent in other currencies); or
- (e) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset with a value exceeding SEK 50,000,00, (or the equivalent in other currencies), of a Group Company and is not discharged within 30 Business Days; or
- (f) a Material Group Company suspends its payments; or
- (g) a Material Group Company applies for, or approves an application for, company reconstruction or similar proceedings; or
- (h) a Material Group Company enters into bankruptcy; or
- (i) a decision is made that the Company shall go into liquidation or that a Material Group Company shall be placed in compulsory liquidation; or
- (j) the Board of Directors of the Company establishes a merger plan according to which the Company shall enter into a merger where the Company is not the surviving entity.

The term “loan” above in paragraph (c) above includes credits on overdraft accounts and amounts which have not been received as loans, but which are to be paid on the basis of a debt security which is clearly intended for public trading.

- 11.2 Noteholders shall, as soon as possible after a request in accordance with Clause 11.1 is made, submit evidence to the Agent showing that the Noteholder was a Noteholder on the relevant Business Day that the request was made. A request under Clause 11.1 may only be submitted by a Noteholder who alone represents a tenth of the Adjusted Loan Amount or by Noteholders who together represent a tenth of the Adjusted Loan Amount on the relevant Business Day.
- 11.3 The Agent may not declare the relevant Loan together with interest (if any) due for payment in accordance with Clause 11.1 by a reference to circumstances constituting an event of default if a Noteholders’ Meeting has resolved to waive such circumstances or it has been decided by the Noteholders’ Meeting that the relevant circumstances shall not give rise to an acceleration pursuant to Clause 11.1.
- 11.4 The Company shall immediately inform the Agent if any default listed in Clause 11.1 is outstanding. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstances exist, provided that the Agent does not have actual knowledge to the contrary. The Agent is not obliged to monitor whether a default or an event of default pursuant to Clause 11.1 is outstanding.
- 11.5 The Company shall, at the times considered necessary by the Agent, provide the Agent with a certificate regarding the circumstances set out in Clause 11.1. The Company shall further provide the Agent with any information that the Agent may request regarding the circumstances in Clause 11.1 and, on the request of the Agent, provide the Agent with documentation which may be of importance in this respect.
- 11.6 The Agent shall, if the Agent has been informed by the Company or if it’s otherwise clear to the Agent that an event of default under Clause 11.1 is outstanding, within ten Business Days notify the Noteholders and seek the Noteholders instruction of whether a Loan shall be declared due for payment by convening a Noteholders’ Meeting in accordance with Clause 12 (*Noteholders’ Meeting*). The Agent shall, however, always be entitled to take the time necessary to determine whether a certain event constitutes an event of default or not.
- 11.7 If an event of default, according to the Agent’s determination, has ceased prior to acceleration of the Loan in accordance with Clause 11.1, or if the Agent determines that a decision of the Noteholders to accelerate the Loan has not been correctly made, the Agent is not obliged to carry out an acceleration of the Loan, unless the Noteholders provide a written guarantee to indemnify the Agent and provide the Agent with collateral acceptable to the Agent.
- 11.8 In case of a redemption of Loans following acceleration in accordance with Clause 11.1:
- (a) interest-bearing Loans shall be redeemed at an amount per MTN that would have been redeemed on the Maturity Date together with accrued interest until and including the date of redemption; and
  - (b) non-interest-bearing Loans shall be redeemed at an amount per MTN determined by the following formula per the date of acceleration of the Loan:

$$\frac{\text{Nominal Amount}}{(1 + r)^t}$$

r = the ask rate quoted by the Calculation Agent for Swedish Government Bonds with an outstanding term to maturity corresponding to the remaining term of the relevant Loan. In the absence of such ask rate, the bid rate shall instead be used, as reduced by a market

bid/ask spread, expressed in percentage points. The calculation shall be based on the closing quotation.

t = the remaining term for the relevant Loan, expressed in the Day Count Convention Actual/360 for MTN denominated in Swedish Kronor, Norwegian Kroner or Euro.

## 12. NOTEHOLDERS' MEETING

- 12.1 The Agent is entitled to, and shall at the request of the Company, the Calculation Agent or Noteholders who at the time of the request represent at least one-tenth of the Adjusted Loan Amount under the relevant Loan (such request may only be made by Noteholders who are registered in the Debt Register on the next Business Day after the day the request was received by the Agent and must, if made by several Noteholders who alone represents less than ten per cent of the Adjusted Loan Amount, be done together), convene a Noteholders' Meeting for the Noteholders under the relevant Loan.
- 12.2 The Agent shall convene a Noteholders' Meeting by written notice to each Noteholder and the Company, within five Business Days from the date when a complete request was received from the Company or Noteholders in accordance with Clause 12.1 (or such later date as necessary for technical or administrative reasons). The Agent shall also, without delay, inform each Issuing Dealer and the Calculation Agent in writing about this notice.
- 12.3 The Agent may refrain from convening a Noteholders' Meeting if (i) the proposed resolution must be approved by a person, in addition to the Noteholders, and this person has notified the Agent that such approval will not be given; or (ii) the proposed resolution is not compatible with applicable law.
- 12.4 The notice sent by the Agent in accordance with Clause 12.2, shall contain (i) the time and place of the meeting; (ii) an agenda listing the matters to be addressed at the meeting (including a detailed summary of each proposed decision); (iii) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting (the "**Voting Record Date**") and (iv) a proxy form. A decision may not be made at the meeting in respect of any matter that is not listed in the notice. The notice shall, if Noteholders are required to announce their intention to participate in the Noteholders' Meeting, contain information of such requirement.
- 12.5 The Noteholders' Meeting shall not be held earlier than 15 Business Days and no later than 30 Business Days after the notice. Noteholders' Meetings for several Loans under the MTN Programme may be held on the same occasion.
- 12.6 The Agent may, without deviating from the provisions in these Terms and Conditions and as it deems appropriate, stipulate further provisions regarding the convening and holding of the Noteholders' Meeting. Such provisions may include provisions enabling Noteholders to vote without attending the meeting in person.
- 12.7 Only a person who is, or has been issued a power of attorney in accordance with Clause 4 (*Right to act on behalf of a Noteholder*) by someone who is a Noteholder on the Record Date for the Noteholders' Meeting may exercise voting rights at such Noteholders' Meeting, provided that the relevant MTN is covered by the Adjusted Loan Amount. The Agent has the right to attend, and shall make sure that an extract from the Debt Register at the Record Date for the Noteholders' Meeting is available at, the Noteholders' Meeting.
- 12.8 The Noteholders and the Agent, and their respective counsel or representatives, are entitled to attend a Noteholders' Meeting. The Noteholders' Meeting may resolve that other persons may attend. Representatives shall submit a power of attorney to be approved by the chairman of the Noteholders' Meeting. The Noteholders' Meeting shall commence with the appointment of a chairman, recording clerk and attestor(s). The chairman shall prepare a list of Noteholders that are present with the right to vote at the meeting, with information on the proportion of the Adjusted Loan amount that is held by each respective Noteholder (the "**Voting Register**"). The Voting Register

shall thereafter be approved by the Noteholders' Meeting. When applying these provisions Noteholders who have cast their vote via electronic voting, ballot paper or equivalent shall be deemed present at the Noteholders' Meeting. Only those who, on the Voting Record Date of the Noteholders' Meeting, were Noteholders, or representatives for such Noteholders, and who are covered by the Adjusted Loan Amount, are entitled to vote and shall be included in the Voting Register. The Company shall be granted access to relevant voting calculations and the basis for these. The minutes shall be completed as soon as possible and be made available to Noteholders, the Company and the Agent.

- 12.9 Decisions on the following matters require the approval of Noteholders representing at least 80 per cent of the part of the Adjusted Loan Amount for which Noteholders vote under the relevant Loan at the Noteholders' Meeting:
- (a) changing of the Maturity Date, reduction of the Nominal Amount, changing of terms relating to interest or the amount that is to be repaid (other than in accordance with the Loan Terms) and changing of the relevant Currency for the Loan;
  - (b) substitution of debtor;
  - (c) amending the provisions for the Noteholders' Meeting in this Clause 12; and
  - (d) mandatory exchange of MTN into another security.
- 12.10 Matters which are not covered by Clause 12.9 requires the approval of Noteholders representing more than 50 per cent of the portion of the Adjusted Loan Amount for which Noteholders vote under the relevant Loan at the Noteholders' Meeting. This includes, but is not limited to, amendments and waivers of rights with relation to the Loan Terms which do not require a greater majority (other than changes in accordance with Clause 13 (*Amendments of terms etc.*) and acceleration of Loans.
- 12.11 Quorum at a Noteholders' Meeting requires the presence of Noteholders, in person or via telephone (or by a representative with a power of attorney), representing at least 50 per cent of the Adjusted Loan Amount for matters listed in Clause 12.9 and for any other matter 20 per cent of the Adjusted Loan Amount.
- 12.12 If the Noteholders' Meeting has not met the necessary quorum requirements, the Agent shall convene a new Noteholders' Meeting (in accordance with Clause 12.2) provided that the relevant proposal has not been withdrawn by the initiator of the Noteholders' Meeting. The quorum requirement in Clause 12.11 is not applicable for such new Noteholders' Meeting. If the Noteholders' Meeting has met the quorum requirement for certain, but not all, matters which are to be resolved on in the meeting, decisions shall be made on those matters for which a quorum is present and any other matter is to be referred to a new Noteholders' Meeting.
- 12.13 A decision at a Noteholders' Meeting which extends new obligations to or limits the rights of the Company, the Agent, the Calculation Agent, the Dealers or the Issuing Dealer under the Terms and Conditions requires the approval of the relevant party.
- 12.14 A Noteholder which holds more than one MTN does not need to vote for all, or vote in the same way for all MTN held.
- 12.15 The Company may not, directly or indirectly, pay or contribute to the payment of any compensation to any Noteholder for its approval under the Loan Terms unless such compensation is offered to all Noteholders at the relevant Noteholders' Meeting.
- 12.16 A decision made at a Noteholders' Meeting shall be binding on all Noteholders under the relevant Loan, whether or not they were present at the Noteholders' Meeting. Noteholders that did not vote in favour of a decision shall not be held liable for any damage that the decision may cause another Noteholder.

- 12.17 The Company shall, in accordance with the Agency Agreement, reimburse the Agent for costs incurred by it in connection with the Noteholders' Meeting including reasonable compensation for the Agent.
- 12.18 The Company shall, without delay, at the request of the Agent, provide the Agent with a certificate which states the Nominal Amount for MTN which is owned by Group Companies on the relevant Voting Record Date before a Noteholders' Meeting, regardless if such Group Company is directly registered as owner of MTN. The Agent shall not be held responsible for the contents of such certificate or otherwise be responsible for determining if a MTN is owned by a Group Company.
- 12.19 Noteholders under the relevant Loan shall, without delay, be notified of decisions made at a Noteholders' Meeting through press release, on the Company's website and in accordance with Clause 19 (*Notices*). The Agent shall, on the request of a Noteholders or a Dealer, provide them with the minutes from the relevant Noteholders' Meeting. Failure to notify the Noteholders as stated above in this Clause 12.19 does not affect the validity of the decision.

### **13. AMENDMENT OF TERMS ETC.**

- 13.1 The Company, the Issuing Dealers and the Agent (on behalf of the Noteholders) are entitled to agree upon:
- (a) adjustment of clear and obvious errors in the Loan Terms;
  - (b) changes and amendments to the Loan Terms as required by law, court order or official decision.
- 13.2 Appointment of a Dealer may be made through an agreement between the Company, the relevant dealer and the Dealers. A Dealer may retire as a Dealer, however, a Calculation Agent under a particular Loan may only retire as such if a new Calculation Agent is simultaneously appointed in its place.
- 13.3 The Company may, if resolved upon at a Noteholders' Meeting in accordance with Clause 12 (*Noteholders' Meeting*), make amendments to the Loan Terms in instances other than those set out in Clause 13.1.
- 13.4 A decision made on a Noteholders' Meeting to amend or waive any Loan Term may include only the substance of the amendment and need not contain the specific form of the amendment.
- 13.5 A decision regarding an amendment to the Loan Terms shall also contain a decision regarding when the amendment shall enter into force and if relevant, any conditions for the amendment to enter into force.
- 13.6 Information regarding a decision to amend or waive any terms and conditions of a Loan in accordance with this Clause 13, shall be submitted to the Noteholders in accordance with Clause 19 (*Notices*) and published in accordance with Clause 10.4 (*Availability of Loan Terms*). The decision shall also be published on the Agent's website.

### **14. DISTRIBUTION OF PROCEEDS**

- 14.1 All payments made after an acceleration in accordance with Clause 11 (*Events of Default*), by the Company in accordance with the Loan Terms shall be distributed in the following order:
- (a) firstly; for payment of outstanding fees, costs, expenses and losses (plus interest) incurred by the Agent, or a person on its behalf, in relation to the Agency Agreement, following an acceleration in accordance with Clause 11 (*Events of Default*), in relation to a Noteholders' Meeting or otherwise due to the Agent having fulfilled its obligations or exercised its right in accordance with the Loan Terms;

- (b) secondly; for payment pro rata to the Noteholders of accrued, but unpaid, interest in relation to MTN;
- (c) thirdly; for payment pro rata to the Noteholders of outstanding principal in relation to MTN;
- (d) fourthly; for pro rata payment of other costs and amounts which are outstanding under the Loan Terms; and
- (e) fifthly; for payment of the surplus (if any) to the Company or other entitled person.

## **15. AGENT'S RIGHT TO REPRESENT THE NOTEHOLDERS**

- 15.1 By subscribing for or acquiring an MTN, each Noteholder authorises the Agent to represent the Noteholder in all matters related to MTN. The Agent, thus, has the right, without power of attorney or consent from the Noteholders, and without prior notice, to represent the Noteholders in and out of court and in relation to enforcement authorities, in all situations or matters relating to the Loan Terms and the Loan.
- 15.2 Each Noteholder shall, at the request of the Agent or an Issuing Dealer, issue the necessary power of attorney to the Agent or the person the Agent puts in its his place. The Agent is not obligated to represent a Noteholder which does not comply with such request.
- 15.3 The Company 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 Loan Terms.
- 15.4 Noteholders are not entitled to, in any other way than explicitly stated in the Loan Terms, take any action to demand payment under the Loan, or take action to liquidate, apply for bankruptcy or other action of equal measure in relation to the Company, nor to take any legal action such as to bring action before a court or authority with regards to the Loan, in any case other than if (i) the Agent does not have the right to litigate on behalf of the Noteholders in any legal proceeding; (ii) if the Agent, in accordance with the Loan Terms, has been instructed by the Noteholders to take certain action which it has not taken within reasonable time (provided that the failure to take such action is not caused by the Noteholder's failure to, on request, issue the necessary power of attorney in accordance with Clause 15.2); or (iii) in the case of an individual Noteholder's claim in accordance with Clause 9 (*Early redemption on change of control*).
- 15.5 The Agent shall not be accountable towards any Noteholder with the respect to any amount received on its own behalf.
- 15.6 The Agent is entitled to rely on any guarantee, notice or document which the Agent deems to be genuine, correct and sufficiently authorised and every assurance made by a member of the Board of Directors, signatory or employee of the Company with respect to any question which may reasonably be assumed to be within the respective person's knowledge or control to verify.

## **16. DUTIES OF THE AGENT**

- 16.1 The Agent shall represent the Noteholders in accordance with the Loan Terms and shall, as long as any MTN is outstanding, act, exclusively, in the interest of the Noteholders and is not obligated to observe any other interest or act in accordance with instructions from any other party, unless expressly stated in the Loan Terms.
- 16.2 The Agent is not responsible for the content, due execution, legal validity or enforceability of the Loan Terms or any other document.
- 16.3 The Agent shall publish the latest version of the Terms and Conditions and Final Terms for each MTN on its website.

- 16.4 The Agent shall have the necessary skills and experience, organization and available resources for the performance of its duties, and shall have relevant insurance against civil liability. The Agent shall be able to carry out its duties promptly and in a professional manner, and may, on behalf of the Noteholders, take the measures, including entering into binding agreements, that the Agent deems necessary to maintain, protect and enforce the rights under the Loan Terms. The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Loan Terms.
- 16.5 The Agent's duties under the Loan Terms are administrative in nature and the Agent acts only in accordance with the Loan Terms or in accordance with instructions from the Noteholders unless otherwise stated in the Loan Terms. When acting in accordance with the Loan Terms, the Agent is always acting with binding effect on behalf of the Noteholders. However, the Agent is not an advisor (legal, financial or other) to the Noteholders or any other person and, thus, any advice, assessment or interpretation given by it is not binding for the Noteholders.
- 16.6 The Agent is always entitled to, at the expense of the Company, engage external advisors or experts to the extent that it is necessary for the Agent to carry out its duties in accordance with the Loan Terms and/or related documents. The Company will reimburse the Agent for all costs for external advisors or experts engaged (i) after an occurrence of an event of default; or (ii) for the purpose of reviewing (A) a circumstance that the Agent reasonably believes could be an event of default, (B) a circumstance relating to the Company which the Agent believes may be detrimental to the interest of the Noteholders; or (iii) as otherwise agreed between the Agent and the Company.
- 16.7 If, in the Agent's reasonable opinion, the cost, loss or liability which it may incur (including fees to the Agent) in relation to complying with instructions from the Noteholders, or taking any action at its own initiative, will not be covered by the Company, 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.
- 16.8 The Agent is not obliged to do, or omit to do, anything if it would, or might in the Agent's reasonable opinion, constitute a breach of any law or regulation or any duty of confidentiality.
- 16.9 The Agent is not obliged to continuously monitor the Company's financial position or fulfilment of its obligations under the Loan Terms unless expressly stated in the Loan Terms.
- 16.10 The Agent is entitled to rely on statements and certificates from the Company as evidence of factual situations regarding the Company, unless the Agent becomes aware that such facts are incorrect.
- 16.11 Any funds received by the Agent in relation to MTN shall be kept as separate funds (Sw: *redovisningsmedel*) and, without undue delay, be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 16.12 The Agent shall be entitled to disclose information to the Noteholders regarding events and circumstances which directly or indirectly relate to the Company or the Loans. However, the Agent is entitled, if it deems it beneficial for the Noteholders, to omit or await the disclosure of such information, except when relating to the events of default as set out in Clause 11.1.

## **17. REPLACEMENT OF AGENT**

- 17.1 The Noteholders may, by a decision made on a Noteholders' Meeting, replace the Agent. The Company and Agent shall ensure that a replacing agent enters into an agency agreement with the Company without delay, but no later than 30 days after the Noteholders' decision. Such new agency agreement shall be at market terms primarily through a substitution of the agent in the existing Agency Agreement. Only when such agreement is entered into, the duties of the retiring Agent will cease and the duties of the new Agent will commence.

17.2 The Agent may resign by giving notice to the Company and Noteholders, in which case a new Agent shall be appointed at a Noteholders' Meeting.

17.3 In the event that there is a change of Agent in accordance with this Clause 17, the Company and the Agent shall immediately take all necessary actions to ensure that the assignment and duties of the retiring Agent are transferred.

17.4 A succession of Agents does not affect the retiring Agent's rights and obligations towards the Company and/or Noteholders attributable to actions it took or failed to take whilst acting as Agent, unless otherwise agreed upon between the retiring Agent and the new Agent. A transfer of obligations may only be made if security is provided by the retiring Agent in favour of the Company and the Noteholders.

## **18. TIME BARRING OF CLAIMS**

18.1 The right to receive repayment of principal shall be subject to time bar and become void ten years from the Maturity Date. The right to receive payment of interest shall be subject to time bar and become void three years from the relevant Interest Payment Date. The Company is entitled to any funds set aside for payments in respect of claims which have become void due to time bar.

18.2 If a period of limitation is duly interrupted (Swe: *preskriptionsavbrott*), a new limitation period of ten years with respect to the right to receive repayment of the principal, and of three years with respect to the right to receive payment of 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 Limitations Act.

## **19. NOTICES**

19.1 Any notice or other communication to be made under or in connection with the Loan Terms:

(a) if to the Agent, an Issuing Dealer or the Calculation Agent shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Company, to the email address notified by the recipient to the Company from time to time;

(b) if to the Company, 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 Company to the Agent from time to time; and

(c) if to the Noteholders, shall be given at their addresses as registered with the relevant CSD, on the Business Day prior to dispatch, and by either courier delivery (if practicably possible) or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Company and the Agent.

19.2 Any notice or other communication made by one person to another under or in connection with the Loan Terms shall be sent by way of courier, personal delivery or letter, or, if between the Company 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 19.1 in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 19.1 or, in case of email, when received in readable form by the email recipient.

19.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## **20. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 20.1 Neither the Agent nor the Issuing Dealers or the Calculation 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 person itself takes such measures, or is subject to such measures.
- 20.2 None of the Calculation Agent, the Agent or an Issuing Dealer shall have any liability to the Noteholders if it has observed reasonable care. The Agent shall be considered to have observed reasonable care 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 Noteholders to delay the action in order to first obtain instructions from the Noteholders. The Calculation Agent, the Agent or the Issuing Dealer shall never be responsible for indirect damage.
- 20.3 Should a Force Majeure Event arise which prevents the Agent, an Issuing Dealer or the Calculation Agent from taking any action required to comply with the Loan Terms, such action may be postponed until the obstacle has been removed.
- 20.4 The provisions in this Clause 20 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which shall take precedence.
- 20.5 The Agent shall not be held liable towards the Company or Noteholders (or another party) for action taken (or failure to take action) in accordance with decision made, or instruction given, by the Noteholders in accordance with the Loan Terms. The Agent is not liable for information provided to Noteholders on the behalf of the Company or anyone else.

## **21. GOVERNING LAW AND JURISDICTION**

- 21.1 The Loan Terms are governed by the laws of Sweden.
- 21.2 Disputes shall be settled in the courts of Sweden. The Stockholm District Court shall be court of first instance.

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It is hereby confirmed that the above Terms and Conditions are binding on us.

Stockholm, 25 May 2020

Kungsleden AB (publ)

**Form of Final Terms**  
**Loan no [•]**  
**under the Swedish MTN Programme of**  
**Kungsleden AB (publ)**

The Terms and Conditions dated 25 May 2020 of the aforementioned MTN Programme shall apply to this Loan, along with the Final Terms set out below. The Terms and Conditions for the MTN Programme are set out in the Company's base prospectus dated 25 May 2020, together with any supplementary prospectus published from time to time and prepared for the MTN Programme pursuant to Article 23 of 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**") (the "**Base Prospectus**"). Capitalised terms used below shall have the meaning given to them in the Terms and Conditions, or as otherwise set out in the Base Prospectus.

Complete information about the Company and the offer can only be obtained through a combination of the Base Prospectus (including any supplementary prospectus) and these Final Terms. Investors considering an investment in MTN must read these Final Terms together with the Base Prospectus (including any supplementary prospectus). The Base Prospectus and any supplementary prospectus are available at [www.kungsleden.se](http://www.kungsleden.se). [These Final Terms replace the Final Terms dated [•] whereby the Loan Amount is increased from [•] to [•]].

**GENERAL**

1. **Loan Number:** [•]
  - (i) Tranche name [•]
2. **Aggregate Nominal Amount:**
  - (i) for the Loan: [•]
  - (ii) for tranche [•]: [•]
  - [(iii) previous tranche(s):] [•]
3. **Price per MTN:** [•] % of the Nominal Amount [plus accrued interest from and including [date] *if applicable*]
4. **Currency:** [SEK/NOK/EUR]
5. **Nominal Amount per MTN:** [SEK/NOK/EUR] [•] (*Minimum EUR 100 000 or corresponding value in SEK or NOK.*)
6. **Loan Date:** [•]
7. **Interest Commencement Date (if other than Loan Date):** [•]
8. **Settlement Date:** [•]
9. **Maturity Date:** [•]
10. **Basis for calculation of interest:** [Fixed Rate]  
[Floating Rate (FRN)]  
[Zero Coupon]  
[Real Interest Rate]

11. **Amount as basis for calculation of interest:** [Nominal Amount/[•]]

#### BASIS FOR CALCULATION OF RETURN

12. **Fixed Interest Rate:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subheadings under this heading)*
- (i) Interest Rate: [•] % annual interest calculated on [Nominal amount/[•]].
- (ii) Interest Period: [SEK/EUR: Period from [•] to and including the [•] (the First Interest Period) and thereafter each period of about [•] months with the final day on an Interest Payment Date]  
[NOK: Period from and including [•] to the [•] (the First Interest Period) and thereafter each period of about [•] months with the final day on an Interest Payment Date]
- (iii) Interest Payment Date(s): [Annually/Semi-Annually/Quarterly] the [•], the first time the [•] and last time the [•]  
(The above is adjusted in the event of a shortened or extended Interest Period)
- (iv) Risk factor: In accordance with the risk factor with the heading “MTN with fixed interest rate” in the Base Prospectus.
13. **Floating Rate (FRN):** [Applicable/Not Applicable]  
*(If not applicable, delete remaining subheadings under this heading)*
- (i) Base Rate: [•] months [STIBOR/NIBOR/EURIBOR]  
[The Interest Basis for the first coupon will be a linear interpolation between [•] months [STIBOR/NIBOR/EURIBOR] and [•] months [STIBOR/NIBOR/EURIBOR].]
- (ii) Margin: [+/-][•] % annual interest calculated on the [Nominal Amount/[•]]
- (iii) Interest Determination Date: [Two] Business Days prior to each Interest Period, first time [•]
- (iv) Interest Period: [SEK/EUR: Period from [•] to and including the [•] (the First Interest Period) and thereafter each period of about [•] months with the final day on an Interest Payment Date.]  
[NOK: Period from and including [•] to the [•] (the First Interest Period) and thereafter each period of about [•] months with the final day on an Interest Payment Date.]
- (v) Interest Payment Date(s): The last day of each Interest Period, [[•], [•], [•] and [•],] the first time on [•] and last time on [•]

- (vi) Risk factor: In accordance with the risk factor with the heading “MTN with floating interest rate” in the Base Prospectus.
14. **Zero Coupon Loan:** [Applicable/Not Applicable]  
*(If not applicable, delete remaining subheadings under this heading)*
- (i) Terms for Zero Coupon Loan: [•]
- (ii) Risk factor: In accordance with the risk factor with the heading “MTN without interest” in the Base Prospectus.
15. **Additional provisions applicable in relevant cases to MTN with Real Interest Rate:** [Applicable/Not Applicable]  
*(If not applicable, delete remaining subheadings under this heading)*
- (i) Base CPI: [The date of determination of the Base CPI is [•] or Base CPI if fixed before the Loan Date]
- (ii) Final CPI: [The determination date of the Final CPI is [•]]
- (iii) Risk factor: In accordance with the risk factor with the heading “MTN with real interest rate” in the Base Prospectus.

## REPAYMENT

16. **Amount with which MTN is to be repaid at the Maturity date:** [•] % of [Nominal Amount/[•]]
17. **MTN with voluntary early repayment options for the Company prior to the Maturity Date:** [Applicable/Not Applicable]  
*(If not applicable, delete remaining subheadings under this heading)*
- (i) Dates of repayment: [•]
- (ii) Price per MTN upon repayment: [•] % of [Nominal Amount/[•]]
- (iii) Minimum Nominal Amount which may be repaid per MTN: [•]
- (iv) Maximum Nominal Amount which may be repaid per MTN: [•]
- (v) Deadlines: [•]
18. **MTN with voluntary early repayment options for Noteholders prior to the Maturity Date:** [Applicable/Not Applicable]  
*(If not applicable, delete remaining subheadings under this heading)*
- (i) Dates of repayment: [•]
- (ii) Price per MTN upon repayment: [•]
- (iii) Deadlines: [•]

## OTHER

19. **Green Loan:** [Applicable/Not Applicable]  
*(if applicable, specify below)*
- (i) Terms: Green Terms dated [•] are applicable to this Loan.
- (ii) Risk factor: In accordance with the risk factor with the heading “Green Loans” in the Base Prospectus.
20. **Admitted to trading on a Regulated Market:** [Applicable/Not Applicable]  
*(If not applicable, delete remaining subheadings under this heading)*
- (i) Regulated Market: [Nasdaq Stockholm/Oslo Børs ASA/Specify other relevant Regulated Market]
- (ii) Estimate of total expenses in connection with admission to trading: [•]
- (iii) Total number of securities admitted to trading: [•]
- (iv) Earliest date of admission to trading: [•]
- (v) Regulated Markets or equivalent markets known to the issuer of securities of the same class as the securities offered or to be admitted to trading are already admitted to trading: [Specify/Not Applicable]
- (vi) Companies that have made a firm commitment to act as an intermediary in secondary trading: [Specify/Not Applicable]
21. **Issuing and Paying Agent: (IPA):** In respect of MTN denominated in SEK or EUR: [Not Applicable/Specify]  
In respect of MTN denominated in NOK: [Not Applicable/Specify]
22. **CSD:** [Euroclear Sweden/VPS]
23. **Interests:** [Specify/Not Applicable]  
(Natural persons involved in the Issue and which may be relevant to individual Loans, shall be described)
24. **Credit Rating for Loan:** [Specify/Not Applicable]
25. **Resolution as basis for the Issue:** [Not Applicable/Decision regarding this Loan was made on [date]. [Other]  
*(If corporate decisions regarding the MTN Programme and Issues thereunder are described in the Base Prospectus and this specific issue is covered by a decision which is mentioned in the Base Prospectus “Not Applicable” shall be inserted)*

26. **Third party information:** [Information in these Final Terms that comes from a third party has been accurately reproduced and so far as the Company is aware and is able to ascertain from a comparison with other information that has been published by the relevant third party, no facts have been omitted in a way that would render the reproduced information inaccurate or misleading]/[Not Applicable]
27. **Use of Proceeds:** [General corporate purposes] [According to Green Terms] [Specify]
28. **Estimated net amount of the proceeds:** [SEK/EUR/NOR] [•] less customary transaction costs and fees.
29. **Issuing Dealer:** [Danske Bank A/S, Danmark, Sverige Filial] [Nordea Bank Abp] [Skandinaviska Enskilda Banken AB (publ)] [Svenska Handelsbanken AB (publ)] [Swedbank AB (publ)] [Arctic Securities AS, filial Sverige] [Specify]
30. **Calculation Agent:** [Danske Bank A/S, Danmark, Sverige Filial] [Nordea Bank Abp] [Skandinaviska Enskilda Banken AB (publ)] [Svenska Handelsbanken AB (publ)] [Swedbank AB (publ)] [Arctic Securities AS, filial Sverige] [Specify]
31. **Agent:** [Nordic Trustee & Agency AB (publ)]/[Specify]
32. **ISIN:** [SE/NO][•]

The Company confirms that the above supplementary terms and conditions are applicable to the Loan together with the Terms and Conditions and undertakes accordingly to pay principal and (where applicable) interest. The Company also confirms that it has disclosed all material events after the date of this MTN Programme regarding the Base Prospectus that could affect the market's perception of the Company.

Stockholm [•]

Kungsleden AB (publ)

## Addresses

### The Company

Kungsleden AB (publ)

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### Auditor to the Company

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[www.ey.com](http://www.ey.com)

### Legal Advisor to the Company

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### The Agent

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### The Arranger

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Euroclear Sweden AB

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Verdipapirsentralen ASA

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