

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 22 May 2024

**To the Bondholders in:**

**ISIN: SE0017132442 – Företagsparken Norden Holding AB (publ) Maximum SEK 1,000,000,000 Senior Unsecured Callable Floating Rate Bonds 2022/2025**

**NOTICE OF WRITTEN PROCEDURE – REQUEST FOR WAIVER AND AMENDMENT OF THE TERMS AND CONDITIONS**

This voting request for procedure in writing has been sent on 22 May 2024 to bondholders directly registered as of 20 May 2024 in the debt register (Sw. *skuldbok*) kept by the CSD. If you are an authorised nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding bonds on behalf of someone else on a Securities Account, please forward this notice to the bondholder you represent as soon as possible. For further information, please see below under Section 7.3 (*Voting rights and authorisation*).

**Key information**

Record Date for being eligible to vote:	29 May 2024
Deadline for voting:	15:00 CEST on 11 June 2024
Deadline for voting to be eligible for Early Bird Fee:	15:00 CEST on 3 June 2024
Quorum requirement:	At least twenty (20) per cent. of the Adjusted Nominal Amount
Majority requirement:	More than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders reply in this Written Procedure
Consent fee:	Fifty (50) basis points of the Nominal Amount as of record date

Nordic Trustee & Agency AB (publ) acts as agent (the “**Agent**”) for the holders of the bonds (the “**Bondholders**”) in the abovementioned bond issue SE0017132442 with an aggregated amount outstanding of SEK 500,000,000 (the “**Bonds**”) issued by Företagsparken Norden Holding AB (publ) (the “**Issuer**”, and together with each of its subsidiaries from time to time, the “**Group**”). The Group holds Bonds in a total amount of SEK 57,500,000.

In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing (the “**Written Procedure**”) as required by the Terms and Conditions (as defined below), whereby Bondholders can vote for or against the requests presented herein.

All capitalised terms used herein and not otherwise defined in this notice (this “**Notice**”) shall have the meanings assigned to them in the terms and conditions of the Bonds as amended and/or restated from time to time (the “**Terms and Conditions**”).

Prior to voting in this Written Procedure, each Bondholder is strongly encouraged to carefully review and assess the risk factors set out in Schedule 3.

The Request (as defined below) is presented to the Bondholders, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Request (and their effects, should they be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and their effects, should they be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not.

Bondholders participate by completing and sending to the Agent the voting form, attached hereto as Schedule 1 (the “**Voting Form**”), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the “**Power of Attorney**”) or to the Agent other sufficient evidence, if the Bonds are held in custody other than by the CSD. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate in the Written Procedure. The Issuer kindly asks the Bondholders to send their Voting Forms and, if applicable, any Power of Attorney by email to the Agent as soon as possible upon receipt of this Notice after the occurrence of the Record Date (as defined below).

The Agent must receive the Voting Form and, if applicable, any Power of Attorney no later than 15:00 CEST on 11 June 2024 either by mail, courier or email to the Agent using the contact details set out in Section 7.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Bondholder on 29 May 2024 (the “**Record Date**”) as further set out in Section 7.3 (*Voting rights and authorisation*). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

## 1. Background

Although the Issuer's consolidated profits derived from property management increased with 47 per cent. to SEK 287,000,000 during 2023 and net operating income margins improved slightly, the Issuer confirms that it will breach the Interest Rate Coverage Ratio for the Reference Period ending on the Reference Date 31 March 2024 in connection with the publication of the interim financial statement for the first quarter of 2024. The Issuer expects the Interest Rate Coverage to be 1.71:1.00 as per 31 March 2024 (and should have been equal to or higher than 1.75:1.00). The Issuer acknowledges that there is a risk of further breaches of the Interest Rate Coverage Ratio during 2024. This is due to significantly increased interest rate costs driven by the challenging macroeconomic environment currently prevailing, with historical high inflation and interest rates.

Therefore, the Issuer has resolved to address the situation and is therefore requesting the Bondholders' approval to waive the requirement to meet the Interest Rate Coverage Ratio for the Reference Period ending on the Reference Date 31 March 2024 and, in addition thereto, to amend the Terms and Conditions in order to adjust the Interest Coverage Ratio to 1.50:1.00 from and including the Reference Date falling on 30 June 2024, a level now common in the market in which the Issuer operates. It should be noted that the Issuer has, as per the date of this Notice, met the Interest Coverage Ratio at all times.

With the Interest Rate Coverage Ratio of 1.50:1.00, the Issuer deems that the headroom towards the covenant is sufficient regardless of the outcome of the coming policy rate decisions.

### Forward looking simulation of ICR R12<sup>1</sup>

R12	Q1 24	Q2 24	Q3 24	Q4 24
Total gross rent	491,9	489,2	494,4	516,6
Management profits	287,3	293,7	314,1	327,9
Net interest cost	-168,0	-176,6	-184,5	-196,7
<b>ICR R12</b>	<b>1.71x</b>	<b>1.66x</b>	<b>1.70x</b>	<b>1.67x</b>

In addition to the above, the Group Company Företagsparken Portfolio 1 AB has entered into a bank loan facilities agreement with Nordea Bank Abp as lender originally dated 28 September 2021 (as amended from time to time) under which three facilities have a final repayment date falling on 28 September 2024 and one facility has a final repayment date falling on 24 October 2025 and the Issuer and its subsidiaries have entered into several bank loan agreements with Swedbank AB (publ) as lender and with various final repayment dates (together, the "**Bank Loans**").

Certain events of default have occurred and are continuing under the Bank Loans in relation to a breach of an interest coverage ratio covenant for the Group and an equity ratio covenant

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<sup>1</sup> The R12 simulation is based on preliminary Q1 numbers and management's projections for the following quarters excluding any acquisitions or divestments but including current lease contracts and leases that are expected to be signed the coming months with a high degree of certainty. Net interest cost is calculated so that current interest rate swaps is held to maturity and is then not refinanced. The floating rate debt is calculated based on market expectations of STIBOR 3m development (interpreted as current FRAs curve) added to the average bank margin and bond margin. The R12 simulation reflects the Issuer's current expectations or estimates with respect to certain future events and potential financial performance and is based on a number of estimates and assumptions that are subject to significant business, economic and competitive uncertainties and no guarantee can be given that such estimates and assumptions are correct. The R12 simulation has not been audited, reviewed or verified by any independent accounting firm or any other auditor or financial expert. The Issuer and its advisors assume no responsibility for, and no warranty (expressly or implied) or representation is made as to, the accuracy, completeness or verification of the information contained in the R12 simulation.

for a certain indirect shareholder of the Issuer (i.e. not in relation to the Group) as per the testing date falling on 31 March 2024 (the “**Covenant Breach**”) and cross defaults due to creditors of a certain indirect shareholder of the Issuer having become entitled to declare Financial Indebtedness of such shareholder due and payable prior to its specified maturity as a result of an event of default (the “**Cross-Default**” and together with the Covenant Breach, the “**Bank Events of Default**”).

The Issuer and the relevant Group Companies are negotiating with the lenders under the Bank Loans to receive waivers for the Covenant Breach relating to the testing date 31 March 2024 and the Cross-Default (the “**Bank Waivers**”). The Issuer expects that the agreement in principle will be finalised and the waivers will be in place during end of May or early June 2024.

Against this background, the Issuer asks the Bondholders to approve the Issuer’s waiver request and proposal to amend the Terms and Conditions, as further described in Section 2 (*Proposed waiver and amendment to the Terms and Conditions*) in this Notice.

## 2. Proposed waiver and amendment to the Terms and Conditions

It is requested that the Bondholders waive the Issuer’s obligations to (i) certify that the Maintenance Test is met and include calculations and figures relating in respect of the Maintenance Test in accordance with paragraph (b) in Clause 12.3.2 of the Terms and Conditions, (ii) meet the Maintenance Test pursuant to Clause 13.1.2 of the Terms and Conditions and (iii) to comply with the Maintenance Test pursuant to Clause 14.7 (*Maintenance Test*) and Clause 15.2 (*Maintenance Test*) of the Terms and Conditions, in each case in respect of the Maintenance Test made in relation to the Reference Date falling on 31 March 2024 (the “**Waiver**”).

The amendment proposed to be made to the Terms and Conditions (the “**Amended and Restated Terms and Conditions**”) is described below (where blue and underlined text indicates additions (e.g., [additions](#)), whereas red and crossed out text indicate deletions (e.g., ~~deletions~~)) (the “**Proposed Amendment**”). Please note that consequential adjustments as a result of the Proposed Amendment have been left out if not deemed material for the Bondholders.

The Issuer proposes that Clause 13.1 (*Maintenance Test*) is amended so that the Interest Coverage Ratio maintenance covenant is amended to 1.50:1.00 from and including 30 June 2024:

“13.1.2 The Maintenance Test is met if:

- (a) the Loan Value does not exceed seventy (70.00) per cent.; and
- (b) the Interest Coverage Ratio is equal to or higher than ~~1.75:1.00~~;
  - (i) [1.75:1.00 until \(and including\) the Reference Date falling on 31 March 2024; and](#)
  - (ii) [1.50:1.00 from \(and including\) the Reference Date falling on 30 June 2024 to \(and including\) the Final Redemption Date.](#)

Should the Request be approved in the Written Procedure, the Issuer shall procure that the Maintenance Test is met (with the Interest Coverage Ratio being equal to or higher than 1.50:1.00) from and including the Reference Date falling on 30 June 2024.

### 3. Request

The Bondholders are asked to confirm that the Bondholders agree to the Waiver and the Proposed Amendment set out in Section 2 (*Proposed waiver and amendment to the Terms and Conditions*) (the “**Request**”).

### 4. Effective date

The Request shall be deemed approved, and the Waiver shall enter into effect, immediately upon expiry of the voting period and satisfaction of the requisite quorum participation and majority vote as set forth in Sections 7.5 (*Quorum*) and 7.6 (*Majority*) or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent.

The Issuer and the Agent shall, in order to implement and effectuate the Proposed Amendment, enter into the Amended and Restated Terms and Conditions for the Bonds whereby the Amended and Restated Terms and Conditions shall only enter into effect when the Agent is satisfied (acting reasonably) that it has received the following documents and evidences:

- (a) a duly executed copy of the Amended and Restated Terms and Conditions; and
- (b) evidence that the Issuer has received approved Bank Waivers no later than 30 June 2024.

Notwithstanding anything to the contrary herein, the approval of the Waiver shall immediately be rescinded and withdrawn if any of the Bank Loans are declared due and payable prior to their respective maturity as a result of any event of default<sup>2</sup> or the Amended and Restated Terms and Conditions have not entered into effect no later than 30 June 2024.

The Issuer and the Agent may agree to take any further action deemed necessary in order to implement the Proposed Amendment.

### 5. Consent Fee and Early Bird Fee

If the Request is approved by the Bondholders, a consent fee amounting to 0.50 per cent. of the Nominal Amount (being an aggregate amount of SEK 500,000,000) (the “**Consent Fee**”) will be paid to the Bondholders (regardless if such Bondholder has participated in the Written Procedure or voted for or against the Request).

The Consent Fee shall be paid to the Bondholders on a *pro rata* basis and must be paid within twenty (20) Business Days after the conclusion of the Written Procedure. The payment shall be made through the CSD to such person who is registered as a Bondholder on the relevant Record Date prior to the applicable payment date and the applicable Record Date for such payment shall be announced by the Issuer in a press release to be issued without undue delay following an approval of the Request.

If the Request is approved by the Bondholders, an early bird fee amounting to 0.50 per cent. of the Nominal Amount for which the relevant Bondholder is voting (the “**Early Bird Fee**”), will be paid to any Bondholder (regardless if such Bondholder has voted for or against the Request) submitting a Voting Form to the Agent no later than by 15:00 (CEST) on 3 June 2024.

Payment of the Early Bird Fee is conditional upon:

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<sup>2</sup> In the event that any of the Bank Loans are declared due and payable prior to their respective maturity, it will also constitute an Event of Default under Clause 15.4 (*Cross payment default and cross acceleration*) of the Terms and Conditions.

- (a) the Request being approved by the Bondholders in the Written Procedure;
- (b) the relevant Bondholder must on the Record Date (29 May 2024) be registered as a direct registered owner of a Securities Account or be registered as authorised nominee in a Securities Account with respect to one or several Bonds, in each case pursuant to the debt register;
- (c) the relevant Bondholder shall have submitted a duly executed Voting Form (Schedule 1), and, if applicable, a Power of Attorney/Authorisation (Schedule 2) no later than 15:00 (CEST) on 3 June 2024; and
- (d) the Voting Form submitted by the Bondholder shall include complete payment information including the relevant bank account to which the Early Bird Fee can be paid and the Bondholder shall have given consent to the Agent sharing such details with the relevant payment administrator to effect the payment.

The Issuer shall procure that the Early Bird Fee is paid to the relevant Bondholders without undue delay after the conclusion of the Written Procedure. Payment of the Early Bird Fee will be made without withholding or deduction of any tax. The Bondholders are solely responsible to seek legal and tax advice in order to independently evaluate whether any tax shall be paid on any amounts received in connection with the Early Bird Fee. The Issuer and the relevant payment administrator for the Early Bird Fee expressly disclaim any liability whatsoever related to the Early Bird Fee and any effects thereof.

The Agent does not administer the Early Bird Fee and the Consent Fee and is not involved in or in any way responsible for the Early Bird Fee and the Consent Fee.

## **6. Voting indications**

The Agent has been informed that Bondholders representing approximately 38 per cent. of the Adjusted Nominal Amount have expressed their intention to vote in favour of the Request.

## **7. Written Procedure**

The following instructions need to be adhered to in the Written Procedure.

### **7.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 15:00 CEST, on 11 June 2024. Votes received thereafter may be disregarded.

### **7.2 Decision procedure**

The Agent will determine if received replies are eligible to participate in the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken in the Written Procedure will:

- (a) be sent by notice to the Bondholders; and
- (b) be published on the websites of the Issuer and the Agent.

A matter decided in the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

### **7.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (29 May 2024) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

### **7.4 Bonds registered with a nominee**

If you are not registered as a direct registered owner as set forth in Section 7.3(a), but your Bonds are held through a registered authorised nominee or another intermediary as set forth in Section 7.3(b), you may have two different options to influence the voting for the Bonds:

- (a) you can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you; or
- (b) you can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as Bondholder of the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the debt register as a Bondholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate. Bonds owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

### **7.5 Quorum**

To approve the Request, Bondholders representing at least twenty (20) per cent. of the Adjusted Nominal Amount must reply to the Request in the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the Request has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. A vote cast in the Written Procedure shall, unless amended or withdrawn, constitute a vote also in a second Written Procedure (if any) pursuant to clause 18.4.6 of the Terms and Conditions with respect to the Request.

### **7.6 Majority**

More than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure must consent to the Request in order for it to pass.

## **7.7 Address for sending replies**

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2 or other sufficient evidence, if the Bonds are held in custody other than Euroclear Sweden AB, by regular mail, scanned copy by e-mail, or by courier to:

### **By regular mail:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure Företagsparken Norden Holding AB (publ)  
P.O. Box 7329  
SE-103 90 Stockholm

### **By courier:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure Företagsparken Norden Holding AB (publ)  
Norrländsgatan 23  
SE-111 43 Stockholm

### **By e-mail:**

[voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com)

## **8. FURTHER INFORMATION**

For further questions regarding the Request, please contact the Issuer with the following contact information: Att. Erik Hamrin, CEO, email: [Erik.Hamrin@foretagsparkenab.se](mailto:Erik.Hamrin@foretagsparkenab.se).

For further questions to the Agent regarding the administration of the Written Procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or +46 8 783 79 00.

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**Stockholm, 22 May 2024**

**NORDIC TRUSTEE & AGENCY AB (PUBL)**  
**As Agent**



**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation
<b>Schedule 3</b>	Risk Factors

# VOTING FORM

## Schedule 1

For the Written Procedure in Företagsparken Norden Holding AB (publ) Maximum SEK 1,000,000,000 Senior Unsecured Callable Floating Rate Bonds 2022/2025 with ISIN SE0017132442.

The undersigned Bondholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Request by marking the applicable box below. If a quorum does not exist in the Written Procedure, the Agent shall initiate a second Written Procedure provided that the Request has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. The undersigned Bondholder hereby confirms that this Voting Form shall, unless amended or withdrawn, constitute a vote also in a second Written Procedure (if any) pursuant to the Terms and Conditions with respect to the Request.

***NOTE:** If the Voting Person is not registered as Bondholder, the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.*

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 22 May 2024.

**For** the Request

**Against** the Request

Name of the Voting Person:

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Capacity of the Voting Person:

Bondholder:  <sup>1</sup> authorised person:  <sup>2</sup>

Voting Person's reg.no/id.no  
and country of incorporation/domicile:

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Securities Account number at Euroclear Sweden AB:  
(if applicable)

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Name and Securities Account number of custodian(s):  
(if applicable)

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Nominal Amount voted for (in SEK):

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Contact person, daytime telephone number and e-mail  
address:

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<sup>1</sup> When voting in this capacity, no further evidence is required.

<sup>2</sup> When voting in this capacity, the person/entity voting must also enclose a Power of Attorney/Authorisation (Schedule 2) from the Bondholder or other proof of authorisation showing the number of votes held on the Record Date.

**Payment details for receipt of Early Bird Fee:**

Bank Account number: \_\_\_\_\_

Clearing: \_\_\_\_\_

Name of bank: \_\_\_\_\_

Name of account holder: \_\_\_\_\_

Address to account holder: \_\_\_\_\_

IBAN: \_\_\_\_\_

SWIFT: \_\_\_\_\_

Telephone number, e-mail and contact person:

\_\_\_\_\_

**We** hereby confirm that the Agent may share copies of this Voting Form with the relevant payment administrator to effect payment of any Early Fee to which the Bondholder may be entitled pursuant to the Notice

\_\_\_\_\_  
Authorised signature and Name <sup>3</sup>

\_\_\_\_\_  
Place, date:

\_\_\_\_\_  
<sup>3</sup> If the undersigned is not a Bondholder and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Bondholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

# POWER OF ATTORNEY/AUTHORISATION

## Schedule 2

For the Written Procedure in Företagsparken Norden Holding AB (publ) Maximum SEK 1,000,000,000 Senior Unsecured Callable Floating Rate Bonds 2022/2025 with ISIN SE0017132442.

**NOTE:** This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Bondholder on the Securities Account, held with Euroclear Sweden AB. It must always be established a coherent chain of power of attorneys derived from the Bondholder, i.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Bondholder.

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 22 May 2024.

Name of person/entity that is given authorisation (Sw. *befullmäktigad*) to vote as per the Record Date:

\_\_\_\_\_

Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

\_\_\_\_\_

Name of Bondholder or other intermediary giving the authorisation (Sw. *fullmaktsgivaren*):

\_\_\_\_\_

We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote in the Written Procedure (and any second Written Procedure) for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of SEK \_\_\_\_\_

We are:

Registered as Bondholder on the Securities Account

Other intermediary and holds the Bonds through (specify below):

\_\_\_\_\_

Place, date: \_\_\_\_\_

\_\_\_\_\_

Name:

Authorised signature of Bondholder/other intermediary (Sw. *fullmaktsgivaren*)

# **RISK FACTORS**

## *Schedule 3*

*The purpose of this section is to enable the Bondholders to assess the relevant risks related to the amendment process (the “**Amendment Process**”) for the Request before voting for or against any proposals in the **Amendment Process**. The risk factors set forth below are therefore limited to risks that are material and specific to Företagsparken Norden Holding AB (publ) (the “**Company**”), the Group and the **Amendment Process**.*

## **RISK FACTORS SPECIFIC AND MATERIAL TO THE COMPANY AND THE GROUP**

### **The Group’s business activities and industry**

#### ***Acquisitions***

Acquisition of real properties constitutes a central part of the Group’s business model and the Group’s operations continuously involve real property transactions. Moreover, the Group is constantly investigating the possibilities of making material acquisitions. Acquisitions of real properties are inherently associated with risks, inter alia, lower than anticipated rental income, unexpected costs, environmental contamination or technical problems, decisions from authorities and the occurrence of disputes relating to the acquisition or the condition of the real property. Should such risks materialise or if unfavourable environmental conditions and/or technical problems arise in relation to acquired real properties, and are not identified within the framework of the due diligence process or compensated for through warranties under the relevant acquisition agreement, such acquisitions may turn out costly and not be compensated by any gain from such transaction, which in turn would negatively affect the Group’s business and financial position.

#### ***Risks relating to macroeconomic factors***

The real estate market is to a considerable degree affected by macroeconomic factors such as the general economic climate and economic trends, economic growth, employment rate, the rate of construction of new housing and commercial premises, changes to infrastructure and demographics, population growth, inflation and/or interest rates. The economic growth affects the employment rate, which is an important factor regarding, for example, demand in the lease market and tenant solvency and therefore affects vacancy rates and rental levels. There is a risk that macroeconomic factors may have a negatively affect the Group’s business and financial position.

#### ***Geographical risks***

The Group’s business focus is to own and invest in real properties in industrial areas in Swedish cities, within the categories light industrial, logistics and warehouses. An economic downturn, affecting companies operating in sectors essential to the future development of the target geographies, could affect the Group similar to a national economic decline. Due to the Group’s dependency on revenues from its rental properties, increased vacancy rates and decreasing rental revenues could lead to decreasing real property prices on the regional real estate market.

#### ***The Group operates in a competitive market***

The Group operates in a competitive industry. The Group’s current and future competitive situation is, therefore, dependent on the Group’s knowledge of the market, financing situation, ability to remain at the cutting edge and quickly react to the existing and future needs of tenants and ability to attract and retain talented employees. Increased competition could thus have a negative impact on the Group’s operations.

### ***Rental levels and rental development***

The Group's financial results are generally negatively affected in the case of decreased occupancy rates or rental levels. A decrease in rental income and increase in vacancies could result in a decrease in the Group's rental income, lower real property market prices in general and for the Group specifically, which could have a negative effect on both the valuation of the real properties and the Group's operating income. If the Group fails to achieve and maintain planned occupancy rates in new projects or if the Group's vacancies increase dramatically and the Group fails to replace such vacancies, the Company considers the potential negative impact to be high. The negative effects, of planned occupancy rates or rental levels in new projects not being achieved, is generally higher than if occupancy rates or rental levels in the existing portfolio decrease.

### ***Dependency on subsidiaries***

A significant part of the Group's assets and revenues relate to the Company's subsidiaries and the Company holds few significant assets other than direct and indirect investments in its subsidiaries and associated entities. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such subsidiaries and entities within the Group in order to meet its own obligations. The Company's subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments or to make funds available for such payments. Should the value of the business conducted in the subsidiaries decrease, or should the Company not receive sufficient income from such companies, this could have a material adverse effect on the Group's earnings and financial position.

### ***Real property costs***

The Group's operating costs mainly consist of costs for property management, electricity, heating, water, real property maintenance, cleaning, insurance and maintenance and is a material cost item for the Group. Rising costs for electricity, heating, water, tax on real estate and site-lease rents results in increased costs for the Group to the extent any such increased costs are not compensated through that the costs can be borne by tenants in the lease agreements. Unexpected and large renovation needs may entail significant expenses for the Group. The consequences of any such increased costs are lower profits derived from real property management and a negative effect on key financial ratios. Such increased costs could therefore have a material adverse effect on the Group's results and financial position.

### ***Reputational damage***

The Group's ability to attract and retain tenants as well as its ability to obtain financing on acceptable terms is partly dependent on the "Företagsparken" brand and its reputation and, consequently, the Group's business is sensitive to risks related to reputational damage. Some of the members of the board of directors in the Company and in affiliates of the Company are former politicians and/or well-known businessmen and should the Company or any of its affiliates, board members, senior executives or key employees act in a manner that conflict with the values represented by the Group or not comply with policies and guidelines, the Group's reputation could be damaged. The Group's success and its ability to differentiate itself from its competitors in the markets where it operates are dependent on the value of its brand. A positive reputation is crucial to the Group, its operations' and earnings' capacity and negative publicity in whatever form could have an adverse effect on the brand and its development. Should the brand lose value, regaining any lost brand value might prove impossible or require incurrence of significant costs.

## **The Group's financial situation**

### ***Changes in value of real properties***

The Group is exposed to changes in the market value of its real property portfolio. Various factors may cause the Group to write down the fair value of its real properties, which would negatively affect the Group's equity and consequently its financial position. The value of the Group's real properties is affected by factors such as yield requirements and cost of capital derived from comparable transactions on the real estate market. Both real property specific deteriorations such as lower rental levels and increased vacancy rates and market specific deteriorations such as higher yield requirements may cause the Group to write-down the value of its real properties, which would have a material adverse effect on the Company's business and financial position.

### ***Capital structure and financial risks***

The Group's operations are capital intensive and its business and acquisitions are to a great extent financed by loans, mainly from banks and credit institutions and the Group is dependent on reliable access to financing. Also, the Company and certain of its subsidiaries have provided guarantees for the Group's obligations under the financing arrangements. The Group's external financing agreements contain terms which impose restrictions on the Group's business such as restrictions on acquisitions, disposal of assets, incurrence of new financial indebtedness and financial covenants. If a Group company is in breach of any of such terms and covenants in its loan agreements, and such breach is not cured, it could lead to loans being accelerated, leading to immediate repayment or enforcement of provided security. Also, such breaches could result in acceleration of other payment obligations within the Group due to cross-acceleration provisions in other financing agreements. Should the Group fail to maintain an adequate capital structure or fail to comply with financial terms and covenants or other obligations under the existing financing arrangements, the Group might not have the financial resources required in order to be able to implement its acquisitions strategy or large projects, which in turn could have a material negative impact on the Group's operations and financial position.

### ***Liquidity and refinancing risks***

The Group's operations are capital intensive and its business and acquisitions are to a great extent financed by loans, mainly from banks and credit institutions and the Group is dependent on reliable access to financing. Liquidity and refinancing risks refer to the risk of increased cost and/or a limited scope for refinancing possibilities when loans are to be refinanced, and that the payment obligations cannot be fulfilled as a consequence of inadequate liquidity or difficulties in obtaining financing. As per 31 December 2023, the Group's average remaining term on its loans was 1.44 years and the total short term interest-bearing liabilities of the Group with maturity within twelve months amounted to SEK 1,460,386 million corresponding to 48.7 per cent. of the total interest-bearing liabilities. The Group is continuously in need of being able to refinance its financial indebtedness. Should it become impossible to obtain refinancing on acceptable terms, it could have a material adverse effect on Group's operations and financial position.

### ***Defaults under financing agreements***

As set out in notice of Written Procedure dated 22 May 2024, events of default have occurred and are continuing under certain bank loans taken up by entities in the Group and additional events of default may occur in the future. Should the Group not reach an agreement with its lenders and obtain necessary waivers for outstanding events of default and/or renegotiate its financing agreements on terms acceptable by the Group, the lenders may accelerate the loans and declare outstanding amounts due and payable including enforcing existing security provided by the Group for such loans, which may have a material

adverse effect on the Bondholders recovery under the Bonds should the Group not be able to repay such loans or procure that such loans are refinanced.

Any acceleration of the Group's financing agreement could result in a cross acceleration event of default occurring under the Bonds which in turn may result in the Company being forced into initiating insolvency proceedings. The Bonds constitute unsecured debt obligations of the Company. If the Company will be subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the Bondholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Further, following prioritised creditors receiving payment in full, the Bondholders will have an unsecured claim against the Company for the amounts due under or in respect of the Bonds, which means that the Bondholders normally would receive payment *pro rata* with other unprioritised creditors.

The Group has, as part of its financing, taken up loans from banks and credit institutions, and in relation thereto provided security over, e.g. real property. Such secured debt normally constitute a preferential claim on the relevant member of the Group and, in addition, all creditors of the Company's subsidiaries would be entitled to payment in full out of the assets of such subsidiary before the Company – as a shareholder – would be entitled to any payments.

In case of any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the status of being an unprioritised creditors in the Company could have a negative impact on the Bondholders' recovery under the Bonds.

### **Interest rates**

The Group is financed mainly through interest bearing debt in addition to equity and interest expenses on interest bearing debt to credit institutions are among the main cost items for the Group. The market interest rates are mainly affected by, besides the volume of the Group's interest bearing debt, the level of current market interest rates, the credit institutions' margins, the expected inflation rate and the Swedish National Bank's (Sw. *Riksbanken*) repo rate (Sw. *reporänta*), which is a monetary policy steering mechanism. If the inflation is expected to increase, the repo rate is expected to increase and vice versa.

### **Counterparties**

The Group is exposed to both commercial and financial counterparties and the primary credit and counterparty risk is tenants being unable to fulfil their payment obligations in accordance with their lease contracts. The Group has also entered into, and may enter into in the future, preliminary agreements concerning real properties not yet been completed. If counterparties do not adhere to such preliminary agreements, the Group may not be fully reimbursed in case of the counterparty's failure to enter into a rental agreement in accordance with the preliminary agreement.

### **Insurance risks**

The Group has insurance policies, for example, in respect of real property, business interruption and liability for damages. However, it is difficult to obtain insurance policies for real property that provide full coverage on various types of disasters, such as terrorist attacks, natural disasters and war. The actual losses suffered by the Group could exceed its insurance coverage and could be material, which would have a material adverse effect on the Group's financial condition.

### **Legal and regulatory risk**

#### **Disputes, claims, inquiries and lawsuits**

The Group may become involved in disputes associated with its operations. Disputes could concern claims from or on tenants, suppliers to the Group or be made by authorities against the Group. Disputes



may also arise in conjunction with acquisitions or divestments of real properties or relate to environmental conditions. Disputes, legal proceedings or other inquiries and lawsuits could be time consuming and result in increased costs which are difficult to predict. Disputes or claims could have material negative impact on the Group's results of operations.

### ***Environmental risks***

According to Swedish legislation, the main rule is that the business operator, either current or former, is responsible for the remediation of a contaminated real property. If any of the Group's real properties turns out to be contaminated, this could limit the Group's intended use of the real property, lead to significant costs for after-treatment and/or have adverse effects on the value of the Group's real properties. If changes to legislation and authority requirements were to occur this might lead to increased costs for remediation or after-treatment for current or in the future acquired real properties. Furthermore, future changes in applicable laws and regulations and authority requirements may lead to increased costs for the Group and delay the Group's intended development of real properties.

## **RISKS RELATING TO THE AMENDMENT PROCESS**

### ***Risk relating to the change in interest coverage ratio***

The Company's ability to service its debt under the Bonds will depend on, among others, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be enforced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Proposed Amendments will decrease the Interest Coverage Ratio (as defined in the Terms and Conditions) and thus may affect the Bondholders' ability to monitor the Company's financial situation and the Company's ability to perform its payments obligations under the Bonds. A decrease of the Interest Coverage Ratio may also increase the credit risk causing the market to charge the Bonds a higher risk premium, which will affect the Bonds' secondary market value negatively.

### ***Written procedure***

The Terms and Conditions allow for stated majorities of Bondholders to bind all Bondholders, including Bondholders who have not taken part in the Written Procedure and those who have voted contrarily to the majority vote. Consequently, the actions of the majority in the Written Procedure could impact a Bondholder's rights in a manner that would be undesirable from such Bondholder's perspective.

### ***Tax risks***

Both the applicable tax law in the Bondholder's country of domicile as well as the country where the Company is registered or has its domicile affects taxation on any consent fee or other remuneration in connection with the Written Procedure. This Written procedure Notice does not discuss the tax consequences for Bondholders arising from the receipt by Bondholders of such consent fee or other remuneration. Bondholders (as well as any nominees for any Bondholder) are liable for their own taxes and have no recourse (whether by way of reimbursement, indemnity or otherwise) to the Company, any adviser or arrangers to the Company, any of their respective directors, employees or affiliates, or any other person with respect to taxes arising out of or in connection with the Written procedure. Each Bondholder should consult its own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them and the receipt of any consent fee or other remuneration in connection with the Amendment Process.