**BASE PROSPECTUS**

# HEMSÖ FASTIGHETS AB

*(incorporated with limited liability in the Kingdom of Sweden)*

# HEMSÖ TREASURY OYJ

*(incorporated with limited liability under the laws of the Republic of Finland)*

**Unconditionally and irrevocably guaranteed by**
**(*in respect of Notes issued by Hemsö Treasury Oyj only*)**

# HEMSÖ FASTIGHETS AB

## EUR 6,000,000,000

## Euro Medium Term Note Programme

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Under this EUR 6,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Hemsö Fastighets AB and Hemsö Treasury Oyj ("**Hemsö Treasury**") (the "**Issuers**" and each an "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) (as defined below). Notes under the Programme may be issued by either Issuer. Notes issued by Hemsö Treasury will be unconditionally and irrevocably guaranteed by Hemsö Fastighets AB (in its capacity as Guarantor only, the "**Guarantor**").

This Base Prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under Regulation (EU) 2017/1129 the (the "**EU Prospectus Regulation**"). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof.

Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") or another regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**").

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months after the date of this Base Prospectus to be admitted to the official list (the "**Official List**") and to trading on its regulated market. References in this Base Prospectus to Notes being "**listed**" (and all related references) on Euronext Dublin shall mean that such Notes have been admitted to the Official List and to trading on its regulated market. This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation. Any website referred to in this document does not form part of this Base Prospectus and has not been scrutinised or approved by the CBI.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they may be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.

Hemsö Fastighets AB has a corporate rating of A- from S&P Global Ratings Europe Limited ("**S&P**") and a corporate rating of A+ from Fitch Ratings Ireland Limited ("**Fitch**"). Notes to be issued under the Programme may be rated by S&P and/or Fitch. S&P and Fitch are established in the European Economic Area ("**EEA**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**"). S&P and Fitch appear on the latest update of the list of registered credit rating agencies (as of the date of this Base Prospectus) on the European Securities and Markets Authority ("**ESMA**") website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). S&P and Fitch are not established in the United Kingdom ("**UK**") but ratings issued by S&P will be endorsed by S&P Global Ratings UK Limited and ratings issued by Fitch will be endorsed by Fitch Ratings Ltd in accordance with Regulation (EC) No. 1060/2009 as it forms part of

domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"). Each of S&P Global Ratings UK Limited and Fitch Ratings Ltd are established in the UK and registered under the UK CRA Regulation. As such, ratings may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation.

**A security 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.**

***Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuers and the Guarantor to fulfil their obligations under the Notes are discussed under "Risk Factors" below.***

**Arranger and Dealer**

**CITIGROUP**

**Dealers**

**BARCLAYS** | **BNP PARIBAS**
**DANSKE BANK** | **DEUTSCHE BANK**
**DNB BANK** | **HANDELSBANKEN CAPITAL MARKETS**
**NORDEA** | **SEB**
**SWEDBANK**

8 November 2022

## IMPORTANT NOTICES

**IMPORTANT – EEA RETAIL INVESTORS: If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of the Insurance Distribution Directive (Directive (EU) 2016/97), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.**

**IMPORTANT – UK RETAIL INVESTORS – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.**

**MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.**

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.**

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

***Responsibility for this Base Prospectus***

The Issuers and the Guarantor accept responsibility for the information contained in this Base Prospectus and any Final Terms and declare that, to the best of their knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

***Final Terms/Drawdown Prospectus***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*".

***Other relevant information***

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuers and the Guarantor have confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering, sale of the Notes and the Guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Information Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers do not form part of this Base Prospectus and has not been scrutinised or approved by the CBI.

***Unauthorised information***

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuers and the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuers and the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or accepts any responsibility for any act or omission of the Issuers, the Guarantor, or any other person in connection with the issue and offering of the Notes under the Programme. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial position or performance of the Issuers and/or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

***Notes issued as Green/Sustainability/Social Bonds***

None of the Dealers accepts any responsibility for any social, environmental and sustainability assessment of any Notes issued as Green/Sustainability/Social Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. None of the Dealers is responsible for the use of proceeds for any Notes issued as

Green/Sustainability/Social Bonds, nor the impact or monitoring of such use of proceeds. Hemsö published its sustainability bond framework in July 2018 (the "**Framework**") and Sustainalytics issued an independent opinion on the Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is a statement of opinion, not a statement of fact. The Second Party Opinion is not, nor should be deemed to be, a recommendation by the Issuers, the Guarantor, the Dealers or any other person to buy, sell or hold any Notes. No representation or assurance is given by the Dealers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with an issue of Notes issued as Green/Sustainability/Social Bonds, nor is any such opinion or certification a recommendation by any Dealer to buy, sell or hold any such Notes. In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

***Restrictions on distribution***

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the relevant Issuer, the Guarantor (if applicable) and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. The Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from such registration. In addition, subject to certain exceptions, Bearer Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

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

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained (or incorporated by reference) in this Base Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should

consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Programme limit***

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 6,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into EUR at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

***Validity of Prospectus and Prospectus Supplements***

This Base Prospectus is valid for 12 months. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

***Certain definitions***

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are to a Member State of the European Economic Area, references to the "**UK**" are to the United Kingdom, references to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended and references to "**SEK**", "**kr**" or "**Swedish krona**" are to Swedish Krona.

References to "**Hemsö**" and the "**Group**" are to Hemsö Fastighets AB and its consolidated subsidiaries, including Hemsö Treasury Oyj.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

**Alternative Performance Measures**

Certain terms used in this Base Prospectus and financial measures presented in the information incorporated by reference section are not defined in accordance with the International Financial Reporting Standards ("**IFRS**") ("**Alternative Performance Measures**" or "**APMs**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. Hemsö presents APMs because it believes that these measures provide useful supplementary information to both investors and Hemsö's management, as they facilitate the evaluation of company performance. It is to be noted that, since not all companies calculate financial measurements in the same manner, these APMs are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS.

For definitions and further explanations of Alternative Performance Measures, please refer to the relevant sections of the 2020 Financial Statements, the 2021 Financial Statements and the Q3 2022 Financial Statements (each as defined below), as set out in "*Information Incorporated by Reference*", below.

**Ratings**

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms.

Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the applicable Final Terms.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation, (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation, (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

**Product Classification Pursuant to Section 309B of the Securities and Futures Act 2001**

The Final Terms in respect of any Notes may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"). The relevant Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

**EU Benchmarks Regulation**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended, the "**EU Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation. Transitional provisions in the EU Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the relevant Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

**Stabilisation**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## OVERVIEW OF THE PROGRAMME

*The following overview is a general description of the Programme, must be read as an introduction to this Base Prospectus, and is qualified in its entirety by, the remainder of this Base Prospectus and in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this overview unless otherwise defined herein.*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Commission Delegated Regulation (EU) No 2019/980.

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| **Issuers:** | Hemsö Fastighets AB<br>Hemsö Treasury Oyj |
| **Guarantor:** | Hemsö Fastighets AB, in respect of Notes issued by Hemsö Treasury Oyj only |
| **Arranger:** | Citigroup Global Markets Europe AG |
| **Dealers:** | Barclays Bank Ireland PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank Aktiengesellschaft, DNB Bank ASA, Sweden Branch, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) and any other Dealer appointed from time to time by the Issuers either generally in respect of the Programme or in relation to a particular Tranche of Notes. |
| **Fiscal Agent** | Citibank N.A., London Branch |
| **Paying Agent and Transfer Agent:** | Citibank N.A., London Branch |
| **Registrar:** | Citibank Europe plc |
| **Final Terms or Drawdown Prospectus:** | Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, as supplemented, amended and/or replaced by the relevant Drawdown Prospectus. |
| **Listing and Trading:** | Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer. |
| **Clearing Systems:** | Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and together with Euroclear, the "**ICSDs**") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms. |
| **Initial Programme Amount:** | Up to EUR 6,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement. |
| **Issuance in Series:** | Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the |

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| | amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations. |
| **Forms of Notes:** | Notes may be issued in bearer form or in registered form. Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.<br><br>Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms.<br><br>Each Tranche of Notes represented by a Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.<br><br>***Security Identification Number(s):*** In respect of each Tranche of Notes, the relevant security identification number(s) will be specified in the relevant Final Terms. |
| **Currencies:** | Notes may be denominated in Euros or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. |
| **Status of the Notes:** | Notes will be issued on an unsubordinated basis. |
| **Status of the Guarantee of the Notes:** | The Guarantee of the Notes is a direct, general, unconditional, irrevocable and unsecured (subject to Condition 5(a) (*Covenants – Negative Pledge*)) obligation of the Guarantor. |

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| **Substitution:** | The terms and conditions of the Notes permit the substitution of the relevant Issuer, without the consent of the Noteholders, for a subsidiary of Hemsö Fastighets AB as principal debtor in respect of any Series of Notes issued under the Programme, subject to satisfaction of the conditions as described in Condition 18 (*Substitution*). |
| **Issue Price:** | Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. |
| **Maturities:** | Any maturity, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. |
| **Redemption:** | Notes may be redeemable at par or at such other redemption amount as may be specified in the relevant Final Terms. |
| **Optional Redemption:** | Notes may be redeemed before their stated maturity at the option of: (i) the relevant Issuer (either in whole or in part); (ii) the Noteholders; or (iii) the Noteholders upon a Change of Control, in each case to the extent (if at all) specified in the relevant Final Terms. |
| **Early Redemption:** | Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons, as described in Condition 9(b) (*Redemption and Purchase - Redemption for tax reasons*), or if the aggregate principal amount of outstanding Notes of the relevant Series is 20 per cent. or less of the aggregate principal amount of such Series, as described in Condition 9(h) (*Redemption and Purchase - No other redemption*). |
| **Benchmark Discontinuation:** | If a Benchmark Event has occurred, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark specified in the relevant Final Terms or Drawdown Prospectus, then such rate of interest may be substituted (subject to certain conditions) with a successor or alternative rate (with consequent amendment to the terms of such Series of Notes and the application of an adjustment spread (which may be positive or negative or zero)) as described in Condition 7(k) (*Floating Rate Note Provisions -Benchmark Discontinuation*). |
| **Interest:** | Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. The terms and conditions also provide for additional fallbacks in the event that one or more benchmark rates used to determine the interest payable on the Notes is discontinued. |
| **Denominations:** | Notes issued under the Programme which are to be admitted to trading on the regulated market of Euronext Dublin and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system which is a regulated market situated or operating in a Member State in circumstances which require the publication of a prospectus under the EU Prospectus Regulation, may not have a minimum denomination of less than EUR 100,000 (or its equivalent in any other currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. |

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| **Negative Pledge:** | The Notes will have the benefit of a negative pledge as described in Condition 5(a) (*Covenants - Negative Pledge*). |
| **Cross-Default:** | The Notes will have the benefit of a cross-default as described in Condition 13 (*Events of Default*). |
| **Taxation:** | All payments of principal and interest in respect of Notes by or on behalf of the relevant Issuer or the Guarantor (as applicable)will be made free and clear of withholding taxes of the Kingdom of Sweden or the Republic of Finland, as applicable, unless the withholding is required by law. In that event, the relevant Issuer or the Guarantor (as applicable) will (subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*) and Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required. |
| **Governing Law:** | English law. |
| **Selling Restrictions:** | For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Belgium, Japan, Singapore, the Republic of Finland and the Kingdom of Sweden, see "*Subscription and Sale*" below. |

## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, the business of the Issuers and the Guarantor and the industry in which they operate together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*In purchasing Notes, investors assume the risk that the relevant Issuer and, if applicable, the Guarantor, may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in an Issuer or, as the case may be, the Guarantor, becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the relevant Issuer and, if applicable, the Guarantor, may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the relevant Issuer's or, if applicable, the Guarantor's control. The Issuers and, as the case may be, the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their business and ability to make payments due.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### FACTORS THAT MAY AFFECT THE ISSUERS' AND, AS THE CASE MAY BE, THE GUARANTOR'S, ABILITY TO FULFIL THEIR OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

#### Industry and business-related risks

*Risks related to macroeconomic factors*

The property industry, and therefore Hemsö, is affected to a large extent by macroeconomic factors such as general economic trends, growth, employment, the rate of production of new housing and commercial premises, changes in infrastructure, population growth, inflation and interest rate levels.

Global macroeconomic conditions may for example be adversely affected by political tensions, acts of war and/or expansion of sanctions, in particular as a result of the conflict between Russia and Ukraine. The prolongation of such geopolitical tensions, sanctions and political uncertainty could negatively impact economic growth, business operations and the real estate markets, which in turn, could have a material adverse effect on Hemsö's business, financial condition, results of operations and prospects.

Hemsö may also be affected by public health epidemics or outbreaks of diseases that negatively affect the global economy such as the outbreak of coronavirus ("**Covid-19**") in 2020 and the ensuing pandemic. The disruption to global business resulting from Covid-19 (including the restrictive measures imposed to contain it) caused supply-chain constraints and added to inflationary pressures in both local and global markets which, amongst other things, increased project development and operating cost across the real estate sector and more widely. While the situation in Europe is currently stable with widespread vaccination schemes implemented and restrictive measures almost entirely lifted, the future emergence of new strains of Covid-19 against which current vaccines are less effective, or of other viruses and/or pandemics could significantly negatively impact economic growth, business operations and real estate markets which could have a material adverse effect on Hemsö's results of operations and financial condition.

The occupancy rate and rent level for Hemsö's properties are influenced primarily by long-term demand for properties for use by public sector tenants which can also be affected by the strength of the economy. In addition, Hemsö's ability to find suitable tenants may be impacted by any change in Swedish Government policy with respect to the procurement of public services. Hemsö's ability to ensure rent levels that are competitive and secure in the long-term, long leases, and low vacancy rates depends, among other things, on the ability to adapt the properties to the tenants' changing needs in terms of quality, functionality and size.

Economies across Europe and globally are currently experiencing significant inflationary pressures. This has been exacerbated by the sanctions put in place as a response to the ongoing conflict in Ukraine, which has further

increased energy, commodity and fuel prices. Such inflationary pressures are expected to continue in the medium term and may increase. In response to rising inflation it is expected that interest rates may be increased. Interest expenses represent Hemsö's largest individual cost item. A significant increase in interest rates would increase Hemsö's cost of funding and could have an adverse effect on Hemsö's operations, results and financial position.

The majority of Hemsö's leases include a supplement based on changes in the Consumer Price Index (CPI) in addition to base rent, i.e. they are wholly or partially linked to inflation enabling Hemsö to pass inflationary cost increases onto its tenants. Certain leases are index-linked downwards, which provides potential for Hemsö's rental income to decrease. Hemsö's costs (including, without limitation, development and operating costs) are also affected by inflation and there is a risk that Hemsö will not always be able to secure leases that provide full or partial compensation for inflation.

A downturn in the economy, changed demands from tenants, lower rental levels, higher vacancy rates, higher interest rates and increased costs may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Property valuation relies on factors which are subject to change*

Hemsö is exposed to changes in the market value of its property portfolio. Hemsö reports its property holdings at fair value in accordance with IAS 40 Investment Property, such that the book value in respect of the properties of Hemsö and its subsidiaries (together, the "**Group**") corresponds to their assessed market value. Hemsö assesses the market value of its properties every quarter. As a basis for determining market values, independent firms of appraisers carry out valuations at least once a year. The value of the properties is affected by, and any assessment made in the light of, a number of factors such as market supply, vacancy rate, rent level and operating expenses, residual value, yield requirement, general economic trends, interest rates and inflation. In particular, if interest rates continue to increase this will put pressure on portfolio yields, putting market values at risk of decline. Whilst the liquidity of such properties has increased over recent years, there is no guarantee that there will be a market for such properties going forward. There is a risk that changes in respect of such factors may have a negative effect on property values. This could have a material adverse impact on Hemsö's credit rating, financial position and earnings.

*Property transactions involve uncertainties which could adversely impact Hemsö's business*

Property transactions represent an important part of Hemsö's day-to-day business operations and will continue to constitute a part of Hemsö's growth strategy going forward. Property transactions entail inherent risks concerning uncertainties and there is a risk that Hemsö (i) may be unable to find suitable acquisition properties, (ii) may be unable to finance property acquisitions on terms acceptable to Hemsö or (iii) that desired property sales cannot be completed on terms acceptable to Hemsö. All property investments are associated with uncertainty and assumptions. The market's yield requirement, future vacancies, the tenants' payment capability, environmental conditions as well as technical defects constitute some of the uncertainty elements associated with property transactions. There is also a risk that Hemsö may fail to complete property transactions, which may have a material adverse impact on Hemsö's operations, financial position and earnings.

In addition, property-owning and property-acquiring companies are exposed to risks in relation to non-identified risks linked to businesses that are acquired, either because of a lack of information or due to the fact that assumptions made may turn out to be erroneous. For example, tenants may be lost, the accounts of the acquired business may be erroneous and/or the business may be the subject of unforeseen environmental or tax claims. Furthermore, other circumstances may exist that have an adverse impact on the value of the business or property being acquired. Notwithstanding the fact that, prior to each investment, Hemsö makes an evaluation aimed at identifying and, if possible, mitigating the risks that may be associated with the investment, there remains a risk that future businesses or properties that are added through acquisitions may have a material adverse impact on Hemsö's operations, financial position and earnings.

In several of the sales agreements entered into by Hemsö, the purchaser may present warranty claims, such as that the property's use has deviated from an applicable zoning plan in violation of stipulated warranties; that, contrary to stipulated warranties, all charges relating to road construction maintenance costs and connection fees relating to the period prior to the completion date have not been paid in full; or that, contrary to stipulated warranties concerning the property, a public authority order to take measures has not been performed in full prior to the completion date. While there have not been any material unsettled warranty claims with respect to sold properties and companies in the last few years, there is a risk that any claims in the future may have a material adverse impact on Hemsö's business, financial position and earnings. Correspondingly, there is a risk that the possibility of

obtaining compensation in the case of a warranty claim will be limited if an acquisition was made from a vendor which is, or will be, in financial difficulties or if there is a cap in respect of the amount of compensation that may be claimed – this may contribute to increased uncertainty and increased costs for Hemsö, which in turn may have a material adverse impact on its operations, financial position and earnings.

*Project development poses risks to Hemsö*

The construction, refurbishment and extension of properties constitutes a part of Hemsö's regular business operations. Project development is inherently associated with uncertainties and risks as regards costs and delays (among other things). Supply chain disruptions and material shortages as a result of the Covid-19 pandemic and the conflict in Ukraine may also have an impact on costs and delays. Major projects can involve significant investments, which may lead to an increased credit risk if tenants fail to perform their obligations to pay rent and Hemsö is unable to find other tenants for the premises in question, if Hemsö fails to let the premises upon completion of a project, or if the demand or price of properties generally changes during the course of a project.

Furthermore, although Hemsö monitors development projects closely, projects may be delayed, become more expensive or the quality may not be as expected, which may result in increased costs or reduced income. In particular, increasing refurbishment and maintenance repair costs may arise, for example, from increasing legal requirements for energy efficiency, or due to inflation, increased energy costs or supply constraints which may drive up prices and costs. In addition, Hemsö may be dependent on procuring the necessary public authority permits and permits for carrying out property development projects. There is therefore also a risk that Hemsö will not succeed in implementing its property projects, which may have a material adverse impact on its operations, financial position and earnings.

*Competitive threats to Hemsö's business*

Hemsö operates in a competitive industry. Hemsö's future ability to compete will depend, among other things, on Hemsö's ability to foresee future changes and react promptly to current and future market needs and/or changes in the Swedish Government's policy with respect to the procurement of public services. Accordingly, Hemsö may be forced to make costly investments, restructurings or price reductions in order to adapt to a changed competitive situation, for example through the renegotiation of lease terms. There is a risk that Hemsö will not be able to successfully counteract the effects of competition, which may have a material adverse impact on its operations, financial position and earnings.

*Variations in supply and demand in the property market could have a material adverse impact on Hemsö's business*

Supply and demand for properties, and therefore the yield on property investments, varies between different geographic markets and property categories, and can thus develop differently within such geographic markets and property categories. There is a risk that demand will fall and the yield requirement will therefore increase within those geographic markets and property categories in which Hemsö operates. This may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Hemsö's income is dependent on tenants meeting their rental obligations*

Hemsö's income primarily comprises rental income from its properties. There is a risk that Hemsö's major tenants will not renew or extend their leases as they expire. There is also a risk that it will not be possible to find new tenants, or that new tenants will not pay the same rents as the previous tenants, which may result in a higher vacancy rate and lower rental income. Community services are operated from Hemsö's properties and most of the rental income derives from public sector tenants or from tenants who run publicly funded activities on behalf of the Swedish Government, county councils or municipalities. Despite the fact that almost all of Hemsö's tenants conduct publicly funded activities and have a high credit rating, there is a risk of tenants failing to pay rents or otherwise failing to perform their obligations to Hemsö. If this occurs, it may lead to lower rental income and bad debt losses. If tenants fail to perform their obligations at all, for example in the event of bankruptcy, or only after debt collection measures have been taken, this may also result in an increased vacancy rate, with lower property values as a consequence. If tenants fail to renew or extend their leases as they expire, or fail to pay agreed rents on time or otherwise fail to perform their obligations, this may have a material adverse impact on Hemsö's operations, financial position and earnings.

As at 30 September 2022, Hemsö's 20 largest tenants accounted for 49.6 per cent. of the total rental value, of which the largest (the Swedish Police Authority) accounted for 5.5 per cent. There is a risk that one or more of

Hemsö's more major tenants will fail to renew or extend their leases as they expire. Unless Hemsö is able to obtain replacement income from new tenants, this may lead to a reduction in rental income and/or higher vacancy rates, which may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Increasing operating and maintenance costs may affect Hemsö's financial position*

Hemsö's operating expenses mainly comprise tariff-based costs such as costs for heating, electricity, water and waste. There are a limited number of suppliers in respect of some of these utilities and services, which could result in an increased cost to Hemsö. Furthermore, the conflict between Russia and Ukraine has led to, and may in the future further result in, higher energy prices in Europe. Notwithstanding that some of Hemsö's leases are structured in such a manner that the tenant defrays most of these costs, there may be a material adverse impact on Hemsö's operations, financial position and earnings to the extent that it is not possible to receive increased rental payments to cover for any such increased costs incurred by Hemsö.

Measures aimed at maintaining the standard of Hemsö's properties in the long-term or maintaining and/or modernising properties require maintenance and renovation expenditures. Such expenditures as are necessary to satisfy market, public authority or other legal requirements may be significant and unforeseen. There is a risk that, in respect of large-scale operating expenses, maintenance or renovation work, it may not be possible to (i) pass on the associated costs to Hemsö's tenants through increased rents or (ii) receive compensation through insurance indemnification. This may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Defects in Hemsö's properties may result in unforeseen costs*

There are risks associated with the technical operation of properties, such as the risk of structural defects, other latent defects or deficiencies, damage (for example, through fire or other forces of nature) and contamination. Although Hemsö seeks to invest in properties of a sound technical standard, there remains a risk that unforeseen costs could arise. In the event that such technical problems arise and the costs cannot be fully or partially covered by insurance, this may have a material adverse impact on Hemsö's operations, financial position and earnings.

*System failures and internal deficiencies may expose Hemsö to operating risk*

The term operating risk refers mainly to the risk of financial consequences and consequences related to the loss of trust which ensue from shortcomings in internal routines and systems, including IT systems. The risk also includes legal risks and risks within regulatory compliance. The handling of operating risks is aimed at identifying, assessing, monitoring and reducing those risks. The risks are handled based on the expected consequences and the degree of probability that they could occur. Internal directives and guidelines form the basis of risk management within Hemsö. Corporate culture is critical in ensuring that internal controls are a normal and necessary operating prerequisite. Hemsö's assets are insured in line with the assessed insurance requirements.

Failure to properly manage these risks may have a material adverse effect on Hemsö's business which could adversely affect Hemsö's operations, financial position and earnings.

*Hemsö has no direct control over jointly-owned companies*

In addition to the Group's wholly-owned subsidiaries, Hemsö holds stakes in a number of companies. Hemsö has no exclusive right of decision-making over these companies and is not able, alone, to ensure that investments or divestments of properties in these companies take place in accordance with Hemsö's requirements. There is a risk that projects and other developments in these companies will be carried out in a manner that is detrimental to Hemsö, which may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Business disruptions and operational shortcomings may cause Hemsö to incur losses*

All operational activities are associated with the risk of incurring losses due to deficient routines and/or the business being detrimentally affected by disruptions caused by shortcomings or internal or external events. Operational certainty, achieved through sound internal control, appropriate administrative systems and access to reliable valuation and risk models, is required to mitigate such risks and reduce the risk to Hemsö's administrative security and control. However, business disruptions and shortcomings in operational security may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Hemsö Treasury is a special purpose vehicle and investors should therefore consider the financial condition and liquidity of Hemsö Fastighets AB and the Group in addition to that of Hemsö Treasury*

As at the date of this Base Prospectus, Hemsö Treasury is a company within the Group without significant business activities or holdings and accordingly, Hemsö Treasury's ability to pay interest and repay principal in respect of its borrowings, including the Notes issued by it, depends upon the financial condition and liquidity of Hemsö Fastighets AB and the Group. Notes issued by Hemsö Treasury will be unconditionally and irrevocably guaranteed by Hemsö Fastighets AB. The Group further intends to provide Hemsö Treasury with liquidity by way of intra-group arrangements or other transfers of value in order for Hemsö Treasury to fulfil its obligations under the Notes issued by it. However, if the Group does not provide liquidity, or due to other circumstances, conditions, laws or regulations is prevented from providing liquidity to Hemsö Treasury, there is a risk that Hemsö Treasury will not fulfil its obligations under the Notes. Therefore, investors in the Notes issued by Hemsö Treasury should consider the risk factors, financial condition and liquidity of Hemsö Fastighets AB and the Group in addition to that of Hemsö Treasury.

*Loss of key personnel may undermine Hemsö's operations*

Hemsö's business is dependent on experienced employees possessing relevant skills. Such key individuals are included among senior executives as well as the Group's employees in general. There may be a risk that, over time, Hemsö is unable to retain or recruit qualified personnel to the desired extent. Any disruption caused by the departure of one or more key individuals may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Hemsö could incur losses not covered by, or exceeding the coverage limits of, its insurance*

Hemsö's management believes that its risks are covered by appropriate insurance coverage in line with market practice. Hemsö has insurance policies, for example, in respect of property, business interruption and liability for damages. However, the actual losses suffered by Hemsö could exceed its insurance coverage and could be material. The realisation of one or more damaging events for which Hemsö has no insurance coverage or for which Hemsö's insurance coverage is insufficient could have a material adverse effect on Hemsö's business, financial condition and results of operations.

*Interests of Hemsö's shareholders may conflict with those of the holders of the Notes*

The interests of Hemsö's shareholders, in certain circumstances, may conflict with those of the holders of the Notes, particularly if Hemsö encounters financial difficulties or is unable to pay its debts when due. In addition, Hemsö's shareholders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to the holders of the Notes. Any of these actions could have an adverse effect on Hemsö's operations, financial position, earnings and future prospects.

*Hemsö has a holding company structure in which Hemsö Fastighets AB's subsidiaries conduct its operations and own nearly all its properties*

Hemsö Fastighets AB is a holding company. As is usual for property companies, Hemsö's operations are principally conducted through subsidiaries. Hemsö Fastighets AB has no significant assets other than the equity interests in its subsidiaries. Hemsö Fastighets AB may use some of the proceeds of the sale of any Notes to repay certain of its own debts and may on-lend proceeds under intercompany loans to its subsidiaries for them to repay or refinance certain of their indebtedness. Other than the receivables under intercompany loans and any other intra-group loans made in connection with other financing transactions, Hemsö Fastighets AB depends on distribution of dividends and other payments from its subsidiaries. In meeting its payment obligations under the Notes (or, as the case may be, the Guarantee of the Notes), Hemsö Fastighets AB is dependent on the profitability and cash flow of its subsidiaries, whose ability to make dividend distributions may be subject to restrictions as a result of factors such as low profitability, restrictive covenants contained in loan agreements, foreign exchange limitations, regulatory, fiscal or other restrictions. As a result, Hemsö Fastighets AB's ability to make required payments under the Notes and the Guarantee of the Notes depends on the performance of its subsidiaries and their ability to distribute funds to it. Such cash flows will depend on the business and financial conditions of its subsidiaries. In addition, the ability of certain subsidiaries to pay dividends and distributions may be limited by applicable laws and any indebtedness those subsidiaries have incurred. Equally, if Hemsö's subsidiaries do not pay any dividends or distributions, or do so irregularly, the Group's performance may be adversely affected.

Further, Hemsö Fastighets AB's right to receive payment of provided financing from the liquidation of one of its subsidiaries, and therefore the right of Noteholders to participate in those proceeds, will be structurally subordinated to the claims of other creditors of that subsidiary. The Notes issued by Hemsö Fastighets AB and the rights under the Guarantee of the Notes (if applicable) are structurally subordinated to the claims of all holders of debt securities and of other creditors of Hemsö Fastighets AB's subsidiaries. In addition, even if Hemsö is a creditor of any of its subsidiaries, its rights as a creditor would be subordinated to any existing security interest in the assets of such subsidiary. The Notes issued by Hemsö Fastighets AB are not guaranteed by any of Hemsö Fastighets AB's subsidiaries or any other company or person. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of Hemsö Fastighets AB's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application generally will have the right to be paid in full before any distribution is made to Hemsö Fastighets AB.

**Legal risks**

*Changes in legislation may adversely affect Hemsö's business*

The majority of Hemsö's tenants engage in publicly funded activities on behalf of the Swedish Government, municipalities or county councils, and Hemsö's operations are highly dependent on decisions and requirements of public authorities as regards, among other things, property ownership, letting, rent levels, maintenance and operation. New or amended laws and regulations, or changes in the application of existing laws and regulations governing the operations of Hemsö or its tenants may be introduced. For example, property-related decisions made by public authorities or, alternatively in the event that public authorities make assessments which differ from those of Hemsö or its tenants regarding licence requirements, health and safety requirements, obligatory permits or other commercial law requirements, may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Hemsö is subject to future possible change in tax laws and regulations*

Hemsö conducts operations in several jurisdictions. Hemsö's operations are affected by the applicable corporation tax, value added tax and property tax rules in force from time to time in those jurisdictions in which it operates. This is also the case as regards other governmental and municipal charges and contributions. Notwithstanding that Hemsö's operations are conducted in accordance with Hemsö's interpretation of applicable laws and rules in respect of taxes, there is a risk that its interpretation is incorrect or that applicable tax law and rules may be amended with possible retroactive effect. In addition, future changes to applicable tax laws and rules may affect the conditions for Hemsö's operations, financial position and earnings.

*The Swedish Tax Agency may not agree with Hemsö's previous tax assessment decisions*

The Swedish Tax Agency carries out regular tax assessment audits of companies. There is a risk that, in conjunction with a tax assessment audit, the Swedish Tax Agency will not share Hemsö's opinion regarding, for example, the right of deduction, possibilities for tax write-offs, or the ability to use loss carry-forwards. Such a different opinion by the Swedish Tax Agency may result in unforeseen tax liabilities which may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Disputes and legal proceedings could have a material adverse effect on Hemsö*

This risk relates to the costs that the Group may incur as a consequence of conducting legal proceedings, settlement costs, as well as costs in respect of awarded damages and other obligations which may be imposed on Hemsö. Companies within the Group may, from time to time, become involved in disputes within the scope of normal business operations and run the risk, similarly to other companies within Hemsö's industry, of being the subject of claims with respect to, for example, contractual issues, warranty claims, alleged errors in the provision of services, environmental issues and intellectual property rights. Such disputes and claims may be time-consuming, disrupt normal operations, involve large amounts, detrimentally affect customer relations and result in significant costs. In the event such disputes arise and Hemsö is held liable in damages or enters into a settlement agreement, there is a risk that claims will not be covered in full by Hemsö's insurance. In addition, the outcome of complicated disputes may be difficult to predict. Potential disputes and legal proceedings brought against Hemsö may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Environmental risks*

Properties affect the environment through their construction, on-going maintenance and through the activities conducted within them. According to the Swedish Environmental Code (*Sw: Miljöbalken (SFS 1998:808)*), persons who pursue activities that have contributed to contamination are responsible for remedying any harm caused. In Hemsö's case, it would be its tenants who are pursuing such activities. However, if the person pursuing the activity is unable to carry out or defray the cost of remediation, responsibility for the after-treatment is imposed on the party that acquired the property and, at the time of the acquisition, was aware or should have been aware of the contamination. Accordingly, there is a risk that in certain circumstances claims may be brought against Hemsö for the clean-up of contamination that has taken place, in order to restore properties to a condition that complies with the Swedish Environmental Code. In the event such liability is imposed on Hemsö, it may have a material adverse impact on its operations, financial position and earnings.

*Hemsö may have to defend, and may lose, the right to use its trademark*

Recognition of Hemsö's trademarks and business names, and their positive reputation, have contributed to Hemsö's success. Hemsö has sought to protect its trademarks through trademark registration. There is a risk that a third party may challenge the validity of such registrations or Hemsö's right to use its distinctive marks. Defending itself in proceedings regarding the validity of distinctive marks or registrations may be costly and, in the event Hemsö is required to cease using its business names or valuable trademarks, this may have a material adverse impact on Hemsö's operations, financial position and earnings.

**Financial risks**

*Fluctuations in market interest rates and loan margins may adversely affect Hemsö's business*

Hemsö's operations are primarily financed through equity and interest-bearing debts. Interest expenses represent Hemsö's largest individual cost item. As a consequence, Hemsö is exposed to the risk of changes in market interest rates and loan margins. The risk is also affected by the strategy Hemsö chooses in respect of fixed–interest periods. Increased interest expenses may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Changes in the value of financial derivative instruments may result in losses for Hemsö*

From time to time Hemsö uses interest rate and cross currency derivatives for the purpose of hedging interest rate and cross currency risk respectively. Derivatives are regularly reported at fair value in the balance sheet and reflect market value fluctuations resulting from changes in interest rates and/or cross currency rates. Such fluctuations can present liquidity risks for Hemsö due to requirements for posting of collateral under related collateral support agreements, which could in turn have a material adverse impact on Hemsö's operations, financial position and earnings.

*Hemsö is exposed to credit and counterparty risk*

There is a risk that Hemsö's counterparties within its financing operations will fail to perform their financial obligations to Hemsö. Hemsö's financing activities include, among other things, the execution of long and short-term loan agreements, the execution of interest rate and cross currency derivatives, as well as the investment of liquidity surpluses through the execution of long and short-term loan agreements. There is a risk that Hemsö's counterparties will fail to perform their financial obligations to Hemsö, which, notwithstanding Hemsö's use of credit support annexes in respect of its derivative transactions, could have a material adverse impact on Hemsö's operations, financial position and earnings.

*Hemsö may not be able to refinance its existing loans on competitive terms or at all*

External borrowing accounts for a large part of Hemsö's supply of capital. As these loans mature, they must be repaid, extended or renewed. The conditions for Hemsö refinancing loan facilities as they expire depend on access to financing at the time and Hemsö's financial position. In the event that Hemsö is unable to secure refinancing or can only obtain refinancing at substantially increased costs, this may have a material adverse impact on Hemsö's operations, financial position and earnings.

*A change in the controlling ownership of Hemsö could result in the requirement for Hemsö to repay under the terms of its existing financing agreements and Notes issued under the Programme and adversely affect its ability to secure subsequent refinancing*

If, for whatever reason, the Third Swedish National Pension Fund was to reduce its holding in Hemsö, this could result in control of Hemsö passing to another shareholder. Such a change in controlling ownership could affect the general perception of Hemsö, which could entail, among other things, a changed credit rating, and may possibly trigger terms in loan agreements that result in the termination of such agreements or a need to renegotiate them. Such a provision is included in the majority of loan agreements Hemsö has in place with lenders and the Programme. In the event of a change in controlling ownership, Hemsö's ability to secure refinancing may be adversely affected, which could indirectly affect the Group's ownership of properties and therefore have a material adverse impact on the Group's operations, earnings and financial position.

*Breach of financial covenants may lead to Hemsö's creditors accelerating its loans*

Hemsö's bank loan agreements usually include financial and other covenants. Such covenants may, for example, relate to an interest-coverage ratio or loan volumes relative to the fair value of Hemsö's properties. In addition, the majority of the financing agreements entitle the lenders to accelerate repayment of the loan in the event that the Third Swedish National Pension Fund's direct or indirect ownership represents less than 50.1 per cent. (51 per cent. in the case of certain agreements) of the voting rights in Hemsö.

As security for bank loans, Hemsö may grant mortgages over certain properties or security interests in intragroup claims against subsidiaries, or Hemsö may issue shares in its subsidiaries, partnerships or limited partnerships, or demand guarantees.

In the event that Hemsö breaches its financial covenants in a loan agreement, or in the event that the Third Swedish National Pension Fund's direct or indirect ownership stake falls to below the required percentages stated in loan agreements, this may lead to the acceleration of loans or to credit institutions having recourse to pledged assets, which may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Major unforeseen payment obligations may impact on Hemsö's liquidity*

Hemsö's payment obligations primarily comprise operating expenses, such as costs for heating, electricity, water and refuse collection, agreed maintenance charges, investments in project development and other investments, as well as interest on, and the repayment of, debts. Major payment obligations may arise in conjunction with the refinancing of loans in the event that lenders demand a lower loan-to-value ratio or if the relevant property falls in value following the drawing of the relevant loan by Hemsö. Major unforeseen payment obligations may also arise, and there remains a possibility of non-payment to Hemsö of large rent amounts. There is a risk that Hemsö's liquidity will be insufficient to cover the performance of its payment obligations, which may have a material adverse impact on Hemsö's operations, financial position and earnings.

*Movements in exchange rates may adversely affect Hemsö's business*

Hemsö is exposed to currency risks as a consequence of its operations in Germany and Finland. The Swedish krona is Hemsö's reporting currency, but the Group also has revenues, expenses, assets and liabilities in currencies other than the Swedish krona. Hemsö's currency exposure is limited to the euro and relates to the properties that the Group owns in Germany and Finland. Currency exposure arises in connection with the purchase and sale of goods and services in currencies other than the local currency of Hemsö's relevant subsidiary (transaction exposure), and the translation into Swedish krona of the balance sheets and income statements of the relevant foreign subsidiaries that are reported in foreign currency (translation exposure). Accordingly Hemsö is exposed to exchange rates movements that could affect its income statement and balance sheet, which may have a material adverse impact on Hemsö's operations, financial position and earnings.

**Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*Notes subject to optional redemption by the relevant Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the

price at which they can be redeemed. This may also be true prior to any redemption period. The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this may affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

*Notes issued at a substantial discount or premium*

The market value of any specific Series of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Usually, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Any such price volatility may have an adverse effect on the market value of any specific Series of Notes issued at a substantial discount or premium to their nominal amount.

*In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, Sustainability Bond or Social Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*

The Final Terms relating to any specific Tranche of Notes may provide that it will be the relevant Issuer's intention to apply an amount equal to the net proceeds of those Notes specifically for projects and assets that promote climate friendly and/or other environmental purposes (either in those words or otherwise) ("**Eligible Projects and Assets**"). Prospective investors should have regard to the information in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of an investment in such Notes together with any other investigation it deems necessary.

In particular no assurance is given by the relevant Issuer that the use of such proceeds for any Eligible Projects and Assets will satisfy, whether in whole or in part, any present or future investment criteria or guidelines with which an investor or its investments are required, or intends, to comply, in particular with regard to any direct or indirect environmental, sustainability or social impact of any project or uses, the subject of or related to, the relevant Eligible Projects and Assets. No assurance can be given that any Eligible Projects and Assets will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy**") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA). Each prospective investor should have regard to the factors described in Hemsö's Sustainability Bond Framework (the "**Framework**") and the relevant information contained in this Base Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the relevant Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Projects and Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that such opinion was initially issued. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required, or intends, to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects and Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the relevant Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the relevant Issuer to apply an amount equal to the net proceeds of any Notes so specified for Eligible Projects and Assets in, or substantially in, the manner described in the applicable Final Terms, there is no contractual obligation to do so. There can be no assurance that the relevant Eligible Projects and Assets will be available or capable of being implemented in the manner anticipated and that accordingly that the relevant Issuer will be able to use the proceeds for such Eligible Projects and Assets as intended. Nor can there be any assurance that such Eligible Projects and Assets will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated by the relevant Issuer. None of (i) a failure by the relevant Issuer to allocate the proceeds of any Notes issued as Green Bonds, Sustainability Bonds or Social Bonds, as the case may be, (ii) a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds, Sustainability Bonds or Social Bonds, as the case may be, or (iii) the failure of the Notes issued as Green Bonds, Sustainability Bonds or Social Bonds, as the case may be, to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels, will constitute an Event of Default or breach of contract with respect to any of the Notes issued as Green Bonds, Sustainability Bonds or Social Bonds, as the case may be.

A failure of the Notes issued as Green Bonds, Sustainability Bonds or Social Bonds, as the case may be, to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for Eligible Projects and Assets, the failure to provide, or the withdrawal of, a third party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to such "benchmarks"*

Interest rates and indices which are deemed to be benchmarks (including the Euro Interbank Offered Rate ("**EURIBOR**"), the Copenhagen Interbank Offered Rate ("**CIBOR**"), the Stockholm Interbank Offered Rate ("**STIBOR**") and the Norwegian Interbank Offered Rate ("**NIBOR**")) are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to

administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(k)(i) (*Floating Rate Note Provisions - Benchmark Discontinuation - Independent Adviser*), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to any such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (each as defined in the Conditions) with the application of an adjustment spread (which could be positive, negative or zero) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Such fallback arrangements may also include amendments to the Conditions of the Notes to ensure the proper operation of the new benchmark, all as determined by an Independent Adviser (as defined in the Conditions) acting in good faith and as more fully described in Condition 7(k) (*Floating Rate Note Provisions - Benchmark Discontinuation*). Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply.

Furthermore, in certain circumstances the ultimate fallback for the purposes of calculating the rate of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation reforms or arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

**Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

*Modification, waivers and substitution*

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

*In certain instances, the relevant Issuer could substitute the obligor under the Notes without the consent or approval of the Noteholders*

The relevant Issuer may, without the consent of the Noteholders or the Couponholders, substitute itself in respect of all rights and obligations arising under or in connection with the Notes with a Substitute. Any such substitution will be subject to the conditions set out in the Terms and Conditions which include, among other things that where the Substitute is not Hemsö Fastighets AB, the obligations of the Substitute under the Deed Poll, the Agency Agreement, the Deed of Covenant, the Notes, and the Coupons shall be unconditionally and irrevocably guaranteed by Hemsö Fastighets AB. The substitution of the relevant Issuer under the Notes could have an adverse effect on Noteholders.

*Change of law*

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus. In particular, potential investors should note that any such change in applicable law or administrative practice may have an adverse impact on the secondary market value of the Notes.

*Bearer Notes where denominations involve integral multiples: definitive Bearer Notes*

In relation to any issue of bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should definitive bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. If definitive bearer Notes are issued, holders should be aware that definitive bearer Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

**Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*The secondary market generally*

Notes may have no established trading market when issued, and one may never develop (for example, Notes may be allocated to a limited pool of investors). If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

*Exchange rate risks and exchange controls*

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. 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 the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's

Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) 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.

*Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

*The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes*

The use of risk-free rates - including those such as the Secured Overnight Financing Rate ("**SOFR**") as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The relevant Issuer may in the future also issue Notes referencing SOFR or SOFR Compounded Index that differ materially in terms of interest determination when compared with any previous Notes issued by it (or the other Issuer) under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SOFR or any related indices.

*Risk-free rates may differ from inter-bank offered rates in a number of material respects and have a limited history*

Risk-free rates may differ from inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the

future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 13 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

*The administrator of SOFR or any related indices may make changes that could change the value of SOFR or any related index, or discontinue-SOFR or any related index*

The Federal Reserve, Bank of New York (or its successor) as administrator of SOFR (and the SOFR Compounded Index) may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SOFR or the SOFR Compounded Index, or timing related to the publication of SOFR or any related indices. If the manner in which SOFR or the SOFR Compounded Index is calculated is changed, this may result in a reduction of the amount of interest payable on Notes linked to SOFR or the SOFR Compounded Index and the trading prices of such Notes. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

*Credit rating may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. 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.

In general, European regulated investors are restricted under the EU CRA Regulation from using a rating for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third-country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre- 2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

*Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

*Conflicts may arise between the interests of the Calculation Agent and the interests of the Noteholders*

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders, including with respect to certain determinations and judgements that such Calculation Agent makes pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

The relevant Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

*Enforceability of judgments*

Since the UK ceased to be a Member State of the European Union there is uncertainty concerning the enforcement of English court judgments in Sweden or Finland as the regulation concerning the recognition and enforcement of judgments that previously applied between the UK and EU Member States, namely the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) has now ceased to apply to the UK (and UK court judgments). Further, the UK is no longer a party to the Lugano Convention under which judgments from the courts of contracting states (currently the EU, plus Switzerland, Iceland and Norway) are recognised and enforced in other contracting states. As a result, a judgment entered against Hemsö Fastighets AB or Hemsö Treasury in an English court may not be recognised or enforceable in Sweden or Finland as a matter of law without a re-trial on its merits (but will be of persuasive authority as a matter of evidence before the courts of law, arbitral tribunals or executive or other public authorities in Sweden or Finland).

## INFORMATION INCORPORATED BY REFERENCE

The following documents which have been filed with the Central Bank of Ireland shall be deemed to be incorporated in, and form part of, this Base Prospectus:

(a) the audited consolidated and non-consolidated financial statements (including the independent auditors' report thereon and notes thereto) of Hemsö Fastighets AB in respect of the year ended 31 December 2021 (the "**2021 Financial Statements**"), as set out on the following pages of Hemsö Fastighets AB's 2021 Annual Report:

| | |
|---|---|
| Multi-year Overview | Page 85 |
| Consolidated Statement of Comprehensive Income | Page 86 |
| Consolidated Statement of Financial Position | Page 87 |
| Consolidated Statement of Changes in Equity | Page 88 |
| Consolidated Statement of Cash Flows | Page 88 |
| Non-consolidated Income Statement | Page 89 |
| Non-consolidated Statement of Comprehensive Income | Page 89 |
| Non-consolidated Balance Sheet | Page 90 |
| Non-consolidated Statement of Changes in Equity | Page 91 |
| Non-consolidated Statement of Cash Flows | Page 91 |
| Accounting Policies and Notes | Pages 92 to 112 |
| Audit Report | Pages 115 to 117 |
| Key Ratio Calculations | Pages 127 to 128 |
| Definitions | Page 129 |

This document is available for viewing on the following website: https://www.hemso.se/globalassets/dokument/finansiella-rapporter/arsredovisningar/annual-report-2021.pdf

(b) the audited consolidated and non-consolidated financial statements (including the independent auditors' report thereon and notes thereto) of Hemsö Fastighets AB in respect of the year ended 31 December 2020 (the "**2020 Financial Statements**"), as set out on the following pages of Hemsö Fastighets AB's 2020 Annual Report:

| | |
|---|---|
| Multi-year Overview | Page 85 |
| Consolidated Statement of Comprehensive Income | Page 86 |
| Consolidated Statement of Financial Position | Page 87 |
| Consolidated Statement of Changes in Equity | Page 88 |
| Consolidated Statement of Cash Flows | Page 88 |
| Non-consolidated Income Statement | Page 89 |
| Non-consolidated Statement of Comprehensive Income | Page 89 |
| Non-consolidated Balance Sheet | Page 90 |

| | |
|---|---|
| Non-consolidated Statement of Changes in Equity | Page 91 |
| Non-consolidated Statement of Cash Flows | Page 91 |
| Accounting Policies and Notes | Pages 92 to 112 |
| Audit Report | Pages 115 to 117 |
| Key Ratio Calculations | Page 131 to 132 |
| Definitions | Page 133 |

This document is available for viewing on the following website: https://www.hemso.se/contentassets/903a35c87c1e4218a4663d57c5bb8ec7/report

(c) the unaudited interim financial statements (including the notes thereto) of Hemsö Fastighets AB in respect of the nine months ended 30 September 2022 (the "**Q3 2022 Financial Statements**"), including the information set out on the following pages:

| | |
|---|---|
| Quarterly Overview Q3 2021 | Page 17 |
| Group -Consolidated Statement of Comprehensive Income | Page 18 |
| Group - Condensed Statement of Financial Position | Page 19 |
| Group - Condensed Statement of Changes in Equity | Page 19 |
| Group - Condensed Statement of Cash Flows | Page 20 |
| Parent Company - Condensed Income Statement | Page 21 |
| Parent Company – Condensed Balance Sheet | Page 21 |
| Auditor's Review | Page 24 |
| Definitions | Page 25 |
| Key Ratio Calculations | Pages 26 to 27 |

This document is available for viewing on the following website:

https://www.hemso.se/globalassets/dokument/finansiella-rapporter/kvartalsrapporter/2022/hemso-interim-report-q3-2022.pdf

(d) the audited financial statements (including the notes thereto) of Hemsö Treasury Oyj in respect of the period commencing 2 October 2020 (being its date of incorporation) and ended 31 December 2021 (the "**Hemsö Treasury 2021 Financial Statements**"), as set out on the following pages of Hemsö Treasury Oyj's 2021 Annual Report:

| | |
|---|---|
| Extensive Income Statement | Page 3 |
| Balance Sheet | Page 4 |
| Statement of Changes in Equity Capital | Page 5 |
| Cash Flow Statement | Page 6 |
| Notes to the Financial Statements | Pages 7 to 20 |

This document is available for viewing on the following website: https://www.hemso.se/en/about/financial-information/esef/

(e) The independent auditor's report in respect of Hemsö Treasury Oyj's audited financial statements in respect of the period commencing 2 October 2020 (being its date of incorporation) and ended 31 December 2021. This document is available for viewing on the following website:

https://www.hemso.se/en/about/financial-information/esef/

(f) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 8 November 2021 at pages 23-53 (inclusive) prepared by the Hemsö Fastighets AB and Hemsö Treasury Oyj in connection with the Programme which is available for viewing on the following website:

https://www.hemso.se/contentassets/6e9b7855f21243d5bf85630eac6c71d1/base-prospectus.pdf

(g) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 27 November 2020 at pages 22-52 (inclusive) prepared by the Hemsö Fastighets AB and Hemsö Treasury Oyj in connection with the Programme which is available for viewing on the following website:

https://www.hemso.se/contentassets/6e9b7855f21243d5bf85630eac6c71d1/uko2-2001628680-v1-hemso-ii---2020-base-prospectus-final.pdf

(h) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 22 April 2020 at pages 21-49 (inclusive) prepared by the Hemsö Fastighets AB in connection with the Programme which is available for viewing on the following website:

https://www.hemso.se/contentassets/6e9b7855f21243d5bf85630eac6c71d1/hemso-2020---base-prospectus-22-april-2020.pdf

(i) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 24 April 2019 at pages 29-57 (inclusive) prepared by the Hemsö Fastighets AB in connection with the Programme which is available for viewing on the following website:

https://www.hemso.se/contentassets/6e9b7855f21243d5bf85630eac6c71d1/icm-32550657-v1-hemso_2019_-_final_prospectus_in_pdf-002.pdf

(j) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 20 April 2018 at pages 27-52 (inclusive) prepared by the Hemsö Fastighets AB in connection with the Programme which is available for viewing on the following website:

https://www.hemso.se/contentassets/6e9b7855f21243d5bf85630eac6c71d1/grundprospekt-emtn-2018.pdf

(k) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 9 June 2017 at pages 24-49 (inclusive) prepared by the Hemsö Fastighets AB in connection with the Programme which is available for viewing on the following website:

http://www.hemso.se/contentassets/6e9b7855f21243d5bf85630eac6c71d1/icm-27433281-v1-hemso_-_base_prospectus.pdf

(l) the Terms and Conditions of the Notes contained in the previous Base Prospectus dated 26 August 2016 at pages 23-47 (inclusive) prepared by the Hemsö Fastighets AB in connection with the Programme which is available for viewing on the following website:

https://www.hemso.se/globalassets/dokument/icm-25058207-v1-hemso_prospectus_-_final.pdf

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the websites listed above or elsewhere in this Base Prospectus does not form part of this Base Prospectus.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and the Guarantor, of the rights attaching to the Notes and the reasons for the issuance and its impact on the relevant Issuer. In relation to the different types of Notes which may be issued under the Programme the Issuers and the Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus in order to obtain all the relevant information. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the relevant Issuer and the Guarantor, if applicable, and the relevant Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State (which for these purposes includes the United Kingdom), the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

1. **Introduction**

(a) *Programme*: Hemsö Fastighets AB and Hemsö Treasury Oyj (the "**Issuers**" and each an "**Issuer**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 6,000,000,000 in aggregate principal amount of notes (the "**Notes**") unconditionally and irrevocably guaranteed by Hemsö Fastighets AB, in respect of Notes issued by Hemsö Treasury Oyj only (in such capacity, the "**Guarantor**"). References herein to the "**relevant Issuer**" shall be references to whichever of Hemsö Fastighets AB and Hemsö Treasury Oyj is specified as the Issuer in the applicable Final Terms (as defined below). If the relevant Issuer of a Series of Notes is Hemsö Fastighets AB, references herein to "Guarantor" and "Guarantee of the Notes", and related expressions, are not applicable and shall be disregarded in respect of such Series.

(b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms or as supplemented, amended and/or replaced by the relevant Drawdown Prospectus. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Agency Agreement*: The Notes are the subject of an amended and restated issue and paying agency agreement dated 8 November 2022 (the "**Agency Agreement**") between the Issuers, the Guarantor, Citibank N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citibank Europe plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents, the Registrar and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(d) *Deed of Covenant:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 8 November 2022 (the "**Deed of Covenant**") entered into by the Issuers.

(e) *Deed of Guarantee*: Pursuant to the deed of guarantee dated 8 November 2022 entered into by the Guarantor (the "**Deed of Guarantee**{xe "Deed of Guarantee"}") the Guarantor has irrevocably and unconditionally agreed to guarantee the obligations of Hemsö Treasury Oyj under and in relation to Notes issued by Hemsö Treasury Oyj.

(f) *The Notes*: All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the specified office of the Fiscal Agent.

(g) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the

holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(c) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the

next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Change of Control**" occurs when a person or persons, acting together, acquire (i) the beneficial ownership (directly or indirectly) of more than 50 per cent. of the total voting rights represented by shares of Hemsö Fastighets AB, or (ii) have the power to appoint or remove the majority of the members of the board of directors of Hemsö Fastighets AB;

"**Change of Control Event**" has the meaning ascribed to it in Condition 9(f) (*Redemption and Purchase - Redemption at the option of Noteholders upon Change of Control*);

"**Change of Control Notice**" has the meaning ascribed to it in Condition 9(f) (*Redemption and Purchase - Redemption at the option of Noteholders upon Change of Control*);

"**Change of Control Period**" means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant Change of Control and (B) the date of the earliest Potential Change of Control Announcement (as defined below), if any, and (ii) ending on the date which is the 120th day after the date of the first public announcement of the relevant Change of Control (such 120th day, the "**Initial Longstop Date**"); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of Hemsö Fastighets AB, if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of Hemsö Fastighets AB under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 90 days after the date of such public announcement by such Rating Agency;

"**CIBOR**" means, in respect of Danish Kroner and for any specified period, the interest rate benchmark known as the Copenhagen interbank offered rate which is calculated and published by a designated distributor (currently NASDAQ Copenhagen) in accordance with the requirements from time to time of Danish Financial Benchmark Facility ApS based on estimated interbank borrowing rates for Danish Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic CIBOR rates can be obtained from the designated distributor);

"**Clean-up Call Redemption Amount**" means in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Consolidated Total Assets**" means the value of the consolidated total assets of the Group, as such amount appears, or would appear, on a consolidated balance sheet of the Group prepared in accordance with IFRS as shown in the most recent published audited annual, unaudited semi-annual or unaudited quarterly interim, as the case may be, consolidated financial statements of the Group;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**DA Selected Bond**" means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes (or, if a Par Call Commencement Date is specified in the applicable Final Terms, the period to the Par Call Commencement Date) that would be utilised, at the time of selection and in accordance with customary

financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes (or, if a Par Call Commencement Date is specified in the applicable Final Terms, the period to the Par Call Commencement Date);

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360\times(Y_2 - Y_1)] + [30\times(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30";

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2 - Y_1)] + [30\times(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case $D_2$ will be 30; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2 - Y_1)] + [30\times(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case $D_2$ will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Agent**" means a financial adviser selected by the relevant Issuer;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) the based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fitch**" means Fitch Deutschland GmbH;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Group**" means Hemsö Fastighets AB and its consolidated Subsidiaries taken as a whole;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**IFRS**" means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time);

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or the relevant payment date, if the Notes become payable on a date other than an Interest Payment Date);

"**Investment Grade Rating Change**" means if any rating previously assigned to Hemsö Fastighets AB by any Rating Agency is changed from an investment grade rating (being at least Baa3 by Moody's, BBB- by Fitch or BBB- by S&P) to a non-investment grade rating (being Ba1 or lower by Moody's, or BB+ or lower by Fitch or BB+ or lower by S&P);

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Make-Whole Redemption Amount**" means the amount calculated by the Determination Agent which is the greater of (i) 100 per cent. of the principal amount of the Notes to be redeemed and (ii) the sum of the then present values of each remaining scheduled payment of principal and interest on such Notes to maturity (or, if a Par Call Commencement Date is specified in the applicable Final Terms, to the Par Call Commencement Date) (not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date (Call)) discounted to the relevant Optional Redemption Date (Call) on an annual basis (based on the Day Count Fraction specified in the applicable Final Terms) at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin, if any, specified in the applicable Final Terms;

"**Make-Whole Redemption Margin**" has the meaning given in the relevant Final Terms;

"**Make-Whole Redemption Rate**" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Material Subsidiary**" means, at any particular time, a Subsidiary of Hemsö Fastighets AB whose total assets or pre-tax profits as shown in the most recent consolidated audited financial statements represent 5 per cent. or more of the consolidated total assets of the Group as calculated by reference to the most recent consolidated audited financial statements of the Group;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Moody's**" means Moody's Investors Service Ltd;

"**NIBOR**" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate administered by Norske Finansielle Referanser AS and calculated in cooperation with the Global Rate Set Systems (GRSS) acting as calculation agent (or any other person which takes over the administration and/or calculation of this rate) for the relevant period (before any correction, recalculation or republication by the administrator);

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount, the Make-Whole Redemption Amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Par Call Commencement Date**" has the meaning given in the relevant Final Terms;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

  (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

  (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

  (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

  (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Refinancing Indebtedness**" means any Indebtedness of Hemsö Fastighets AB or any of its Subsidiaries raised or issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange or discharge other Indebtedness of Hemsö Fastighets AB or any of its Subsidiaries (other than intercompany Indebtedness); provided that:

(i) the aggregate principal amount (or accretable value) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(ii) such Permitted Refinancing Indebtedness has a final maturity date, or may only be redeemed at the option of Hemsö Fastighets AB, either (i) no earlier than the final maturity date of the

Indebtedness being renewed, refunded, refinanced, replaced, exchanged or discharged or (ii) after the final maturity date of the Notes;

(iii) if the Indebtedness being renewed, refunded, refinanced, replaced or discharged is expressly, contractually subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes; and

(iv) if Hemsö Fastighets AB was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced or discharged, such Permitted Refinancing Indebtedness is incurred by Hemsö Fastighets AB;

"**Permitted Security Interest**" means a Security Interest on the undertaking or assets of any Person existing at the time such Person is acquired by and becomes a Subsidiary of an Issuer or the Guarantor, provided such Security Interest was not created in contemplation of such acquisition and the principal amount secured has not been increased in contemplation of or since such acquisition;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Potential Change of Control Announcement**" means any public announcement or statement by Hemsö Fastighets AB, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (where "near-term" shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by Hemsö Fastighets AB, any such actual or potential bidder or any such designated advisor to be intended to occur, within 120 days of the date of such announcement of statement);

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"**Rating Agency**" means each of Fitch, Moody's and S&P;

"**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (i) the rating previously assigned to Hemsö Fastighets AB by any Rating Agency (at the invitation or with the consent of Hemsö Fastighets AB) is withdrawn and not subsequently reinstated within the Change of Control Period or (ii) the non-investment grade rating previously assigned to Hemsö Fastighets AB by any Rating Agency (at the invitation or with the consent of Hemsö Fastighets AB) is lowered one rating category (for example, from Ba1/BB+ to Ba2/BB or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period or (iii) an Investment Grade Rating Change occurs and is not subsequently reinstated within the Change of Control Period, *provided that* a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Clean-up Call Redemption Amount, the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"**Reference Banks**" means four major banks selected by the Issuer, or the Issuer in consultation with the Determination Agent, in the market that is most closely connected with the Reference Rate;

"**Reference Bond**" shall be as specified in the relevant Final Terms or if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"**Reference Bond Price**" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, (B) if the Determination Agent obtains fewer than four but more than one such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations, (C) if the Determination Agent obtains only one such Reference Government Bond Dealer Quotation, such quotation so obtained, or (D) if no Reference Government Bond Dealer Quotations are provided, the price determined by the Determination Agent (or failing which the relevant Issuer, in consultation with the Determination Agent), acting in a commercially reasonable manner, at such time and by reference to such sources as it deems appropriate;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Date**" will be set out in the relevant notice of redemption;

"**Reference Government Bond Dealer**" means each of five banks selected by the relevant Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" mean, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the relevant Final Terms on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"**Reference Rate**" means CIBOR, EURIBOR, NIBOR, SOFR, SOFR Compounded Index, or STIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms. Other than in the case of U.S. dollar-denominated floating rate Notes for which the "**Reference Rate**" is specified in the relevant Final Terms as being SOFR, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 7(k)(i) *(Floating Rate Note Provisions - Benchmark Discontinuation - Independent Adviser)*, include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate;

"**Regular Period**" means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to modify any provision of the Guarantee of the Notes, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**S&P**" means S&P Global Ratings Europe Limited;

"**Secured Indebtedness**" means any Indebtedness secured in whole or in part by any assets of Hemsö Fastighets AB or any of its Subsidiaries;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**STIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor in accordance with the requirements from time to time of the Swedish Financial Benchmark Facility (or any other Person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor);

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty of the Functioning of the European Union, as amended;

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms;

(b) *Interpretation*: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (*Interpretation - Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

(a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the

Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Notes:* Subject to paragraphs 3(i) (*Closed periods*) and 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the relevant Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status and Guarantee**

(a) *Status of the Notes*: The Notes constitute direct, general, unsubordinated and unconditional obligations of the relevant Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the relevant Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes*: The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by Hemsö Treasury Oyj in respect of the Notes and any Coupons. This Guarantee of the Notes constitutes direct, general, unconditional and unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Covenants**

(a) *Negative Pledge:* So long as any Note remains outstanding, neither the relevant Issuer nor, if applicable, the Guarantor shall, and each of the relevant Issuer and the Guarantor shall procure that none of its Subsidiaries shall, create or permit to subsist any Security Interest other than a Permitted Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or to secure any Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes or Guarantee of the Notes (as applicable) equally and rateably therewith or (b) providing such other security for the Notes or the Guarantee of the Notes (as applicable) as may be approved by an Extraordinary Resolution of Noteholders.

(b) *Limitations on the Incurrence of Secured Indebtedness:* So long as any Note remains outstanding Hemsö Fastighets AB will not, and will not permit any Subsidiary to incur directly or indirectly, any Secured Indebtedness or any secured Guarantee of any Indebtedness (excluding for the purposes of this Condition 5(b) any Permitted Refinancing Indebtedness) if, on the date of such incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds) the total value of Secured Indebtedness or any secured Guarantee of any Indebtedness combined would exceed 40 per cent. of Consolidated Total Assets.

6. **Fixed Rate Note Provisions**

(a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

(a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal

Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* The Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SOFR or any related index is specified as the Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

**provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

(iii) in any other case, the Calculation Agent, in consultation with the relevant Issuer, will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of 7(c)(i) above, such rate does not appear on that page or, in the case of 7(c)(iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will, in consultation with the relevant Issuer:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent, in consultation with the relevant Issuer, will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*

(i) Where the Reference Rate is specified in the relevant Final Terms as being "SOFR" and "Index Determination" is specified in the relevant Final Terms as being "Not Applicable", the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(ii) For the purposes of this Condition 7(d):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(d).

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(d)(iii) below will apply.*

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \; x \; n_i}{D}\right)-1\right] x \; \frac{D}{d}$$

"**d**" is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"**D**" is the number specified in the relevant Final Terms (or, if no such number is specified, 360);

"**do**" is the number of U.S. Government Securities Business Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"**i**" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last U.S. Government Securities Business Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable), as specified in the relevant Final Terms;

"**ni**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day;

"**Observation Period**" in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five U.S. Government Securities Business Days;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

(i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

(ii) Subject to Condition 7(d)(iii) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFRi**" means the SOFR for:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day "i"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iii) If the Issuer or the Issuer's designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with

respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer or the Issuer's designee pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(i) will be conclusive and binding absent manifest error;

(ii) will be made in the sole discretion of the Issuer or its designee, as applicable; and

(iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

"**Benchmark**" means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (B) the Benchmark Replacement Adjustment;

(ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or

(iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of

amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) in the case of paragraph (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of paragraph (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Corresponding Tenor**" with respect to a Benchmark Replacement, means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index

cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(iv) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(d)(iii) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

(v) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(d), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest applicable to the first Interest Period).

(e) *Interest – SOFR Compounded Index (Screen Rate Determination)*: Where the "Reference Rate" is specified in the relevant Final Terms as being "SOFR" and "Index Determination" is specified in the relevant Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula on the relevant Interest Determination Date:

$$\left(\frac{Compounded\ Index\ End}{Compounded\ Index\ Start} - 1\right) \text{X } \frac{360}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index End**" means, in respect of an Interest Period the SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Compounded Index Start**" means, in respect of an Interest Period, the SOFR Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period;

"**d**" is the number of calendar days from (and including) the day on which the Compounded Index Start is determined to (but excluding) the day on which the Compounded Index End is determined;

"**Index Days**" means U.S. Government Securities Business Days;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the

date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable), as specified in the relevant Final Terms;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Final Terms, be the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards);

"**Relevant Number of Index Days**" is as specified in the applicable Final Terms, but, unless otherwise specified shall be five;

"**SOFR Compounded Index**" means the Compounded SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If, with respect to any Interest Period, the relevant rate is not published for the SOFR Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded SOFR (as defined in Condition 7(d) had been specified instead in the Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Final Terms, and where the Observation Period for the purposes of that definition in Condition 7(d) shall be deemed to be the same as the Relevant Number of Index Days specified in the Final Terms. For the avoidance of doubt, if a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 7(d) above shall apply.

(f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(i) *Notifications etc.:* All notifications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will

attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(j) *Determination of Rate of Interest following acceleration:* If (i) the Notes become due and payable in accordance with Condition 13 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period during which the Notes become due and payable is to be determined by reference to Condition 7(d) (*Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination*)) or 7(e) (*Interest – SOFR Compounded Index (Screen Rate Determination)*) above, then the final Interest Determination Date shall be the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in the Conditions.

(k) *Benchmark Discontinuation:* Notwithstanding the provisions above in this Condition 7, and other than in the case of a U.S. dollar-denominated floating rate Note for which the Reference Rate is specified in the relevant Final Terms as being "SOFR" or "SOFR Compounded Index", if the relevant Issuer, in consultation with the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), determines that a Benchmark Event has occurred in relation to an Original Reference Rate at any time when the Conditions provide for any Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) *Independent Adviser*

The relevant Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments (each as defined and as further described below) no later than 5 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for such next succeeding Interest Period and for all future Interest Periods (subject to the subsequent operation of this Condition 7(k) during any other future Interest Period(s)).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:

(A) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 7(k)(iii)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 7(k)) or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 7(k)(iii)) shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent further operation of this Condition 7(k)).

(iii) *Adjustment Spread*

If a Successor Rate or Alternative Rate is determined in accordance with Condition 7(k)(ii) above, the Independent Adviser acting in good faith shall determine an Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or

Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 7(k).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(k) and the Independent Adviser acting in good faith determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the relevant Issuer shall, subject to giving notice thereof in accordance with Condition 7(k)(v) (*Notices, etc.*) below, without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the relevant Issuer, the Fiscal Agent, the Paying Agents and the Calculation Agent shall (at the relevant Issuer's expense and direction), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments required to the Agency Agreement and these Conditions.

In connection with any such variation in accordance with this Condition 7(k)(iv), the relevant Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

The relevant Issuer shall promptly notify the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), the Fiscal Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 7(k)(v). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the relevant Issuer under this Condition 7(k), the Original Reference Rate and the fallback provisions provided for in Condition 7(c) will continue to apply unless and until the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable) has been notified of the Successor Rate or the Alternative Rate (as the case may be), the applicable Adjustment Spread and Benchmark Amendments (if applicable), in accordance with Condition 7(k)(v).

(vii) *Fallbacks*

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, the relevant Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision prior to the IA Determination Cut-off Date and the Relevant Screen Page is no longer available for use, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

For the avoidance of doubt, this Condition 7(k) shall apply to the determination of the Rate of Interest on the relevant Interest Determination Date only, and the Rate of Interest applicable to any subsequent

Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(k).

For the purposes of this Condition 7(k):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

(b) (if no such recommendation or option has been made (or made available), or in the case of an Alternative Rate) the Independent Adviser acting in good faith determines is recognised or acknowledged as being in customary usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(c) (if no such determination has been made) the Independent Adviser acting in good faith determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(d) (if no such industry standard is recognised or acknowledged) the Independent Adviser acting in good faith and in a commercially reasonable manner determines to be appropriate to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith determines in accordance with Condition 7(k)(ii) (*Successor Rate or Alternative Rate*) above has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith determines is most comparable to the Original Reference Rate;

"**Benchmark Amendments**" has the meaning given to it in Condition 7(k)(iv) (*Floating Rate Note Provisions -Benchmark Discontinuation –Benchmark Amendments*);

"**Benchmark Event**" means:

(a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing permanently to be calculated, administered and published;

(b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (b)(i) above;

(c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (d)(i) above;

(e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (e)(i) above;

(f) it has or will prior to the next Interest Determination Date become unlawful for the Calculation Agent, the relevant Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or

(g) the later of (i) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is or will, on or before a specified date, be no longer representative and (ii) the date falling six months prior to the specified date referred to in (g)(i) above;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the relevant Issuer at its own expense. For the avoidance of doubt, an Independent Adviser appointed pursuant to this Condition 7(k) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuers, the Paying Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 7(k);

"**Original Reference Rate**" means the originally-specified Reference Rate used to determine the relevant Rate of Interest (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Events, such originally-specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

"**Relevant Nominating Body**" means, in respect of an Original Reference Rate:

(a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate or, where a Successor Rate or an Alternative Rate has been determined pursuant to Condition 7(k)(ii) (*Successor Rate or Alternative Rate*) above, such Successor Rate or Alternative Rate, as applicable, which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

8. **Zero Coupon Note Provisions**

(a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11(*Payments - Registered Notes*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part:

(i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) or the Guarantor is unable to procure payment by the relevant Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Sweden or the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after an agreement is reached to issue the first Tranche of the Notes; and

(B) such obligation cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts or the relevant Issuer or, as the case may be, the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts or the relevant Issuer or, as the case may be, the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due (or the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the relevant Issuer or, as the case may be, two authorised signatories of the Guarantor, stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the relevant Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the relevant Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) *Redemption at the option of the Relevant Issuer:* If Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the relevant Issuer's giving not less than 10 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable (other than in the circumstances set out below) and shall oblige the relevant Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on any relevant Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) plus accrued interest (if any) to (but excluding) such Optional Redemption Date (Call)). Any such redemption must be of a nominal amount not less than any Minimum Redemption Amount and not more than any Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. Where the Optional Redemption Amount (Call) is a Make-Whole Redemption Amount, any such notice of redemption may, at the relevant Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the relevant Issuer's discretion, the Optional Redemption Date (Call) may be delayed until such time as any or all such conditions shall be satisfied (or waived by the relevant Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the relevant Issuer in its sole discretion) by the Optional Redemption Date (Call), or by the Optional Redemption Date (Call) so delayed.

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Relevant Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Relevant Issuer*) (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) shall specify the serial numbers of the Notes so to be redeemed (which will be published by the relevant Issuer in accordance with Condition 20 (*Notices*) not less than 15 days prior to the date fixed for redemption), and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If Put Option is specified in the relevant Final Terms as being applicable, the relevant Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due

presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) *Redemption at the option of Noteholders upon Change of Control.* If a Change of Control Put Option is specified as applicable in the relevant Final Terms, then this Condition 9(f) (*Redemption at the option of Noteholders upon Change of Control*) will apply. If after the Issue Date (i) a Change of Control occurs; and (ii) within the Change of Control Period, a Rating Downgrade in respect of that Change of Control occurs (a "**Change of Control Event**") the relevant Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving notice to the relevant Issuer as provided in this Condition 9(f) (*Redemption at the option of Noteholders upon Change of Control*) at any time during the Put Option Redemption Period, redeem such Note on the Put Option Redemption Date at 100 per cent. of its principal amount together (if applicable) with interest accrued and unpaid to (but excluding) the Put Option Redemption Date.

Immediately upon the relevant Issuer becoming aware that a Change of Control Event has occurred, the relevant Issuer shall give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the Change of Control Event and the procedure for exercising the put option contained in this Condition 9(f) (*Redemption at the option of Noteholders upon Change of Control*).

To exercise the put option pursuant to this Condition 9(f) (*Redemption at the option of Noteholders upon Change of Control*), a holder must deposit the certificate representing the Note(s) to be redeemed with the Registrar or any Paying and Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying and Transfer Agent or the Registrar within the Put Option Redemption Period. An Exercise Notice, once given, shall be irrevocable.

If 80 per cent. or more in principal amount of the Notes then outstanding has been redeemed pursuant to this Condition 9(f) (*Redemption at the option of Noteholders upon Change of Control*), the relevant Issuer may, on not less than 10 or more than 60 days' notice to the Noteholders given within 30 days after the Put Option Redemption Date, redeem, at its option, the remaining Notes at 100 per cent. of their principal amount, together with interest accrued and unpaid to (but excluding) the date of such redemption. Such notice to the Noteholders shall specify the date fixed for redemption, the redemption price and the manner in which redemption will be effected.

For the purpose of Condition 9(f) (*Redemption at the option of Noteholders upon Change of Control*):

(1) "**Put Option Redemption Date**" means, in respect of any Note, the date which falls 14 days after the date on which the relevant holder exercises its option in accordance with Condition 9(f) (*Redemption at the option of Noteholders upon Change of Control*);

(2) "**Put Option Redemption Period**" means the period from and including the date on which a Change of Control Event occurs (whether or not the relevant Issuer has given a Change of Control Notice (as applicable) in respect of such event) to and including the date falling 45 days after the date on which such Change of Control Notice is delivered to the Noteholders, provided that if no Change of Control Notice (as applicable) is given, the Put Option Redemption Period shall not terminate.

(g) *Clean-up Call Option*: If the Clean-up Call Option is specified in the relevant Final Terms as being applicable, in the event that Notes representing an aggregate amount equal to or exceeding 80 per cent. of the principal amount of the Notes initially issued (which shall include, for these purposes, any further Notes issued pursuant to Condition 19 (*Further Issues*)) have been purchased and cancelled or redeemed by the relevant Issuer (other than as a result of the exercise by the relevant Issuer of its redemption right under Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Relevant Issuer*)) the relevant Issuer may, on giving not less than 10 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms), redeem on

the date specified in such notice all, but not some only, of the remaining Notes in that Series at their Clean-up Call Redemption Amount (as specified in the relevant Final Terms) together with any interest accrued to but excluding the date set for redemption.

(h) *No other redemption:* The relevant Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (g) above.

(i) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(i) or, if none is so specified, a Day Count Fraction of 30E/360.

(j) *Purchase:* The relevant Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or, at the option of the relevant Issuer, the Guarantor or the relevant Subsidiary surrendered to the Fiscal Agent for cancellation.

(k) *Cancellation:* All Notes so redeemed or purchased or surrendered for cancellation and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. **Payments - Bearer Notes**

This Condition 10 (*Payments - Bearer Notes*) is only applicable to Bearer Notes.

(a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the relevant Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the relevant Issuer, the Guarantor or their Agents are subject, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.

(e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption and Purchase - Redemption for tax reasons*), Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Relevant Issuer*), Condition 9(e) (*Redemption and Purchase - Redemption at the option of Noteholders*), Condition 9(g) (*Redemption and Purchase - Clean-up Call Option*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note,

any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments - Registered Notes**

This Condition 11 (*Payments - Registered Notes*) is only applicable to Registered Notes.

(a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.

(d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

(e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the relevant Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. **Taxation**

(a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the relevant Issuer or, if applicable, the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or

governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Taxing Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the relevant Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) presented for payment in the Kingdom of Sweden (in the case of payments by Hemsö Fastighets AB), or the Republic of Finland (in the case of payments by Hemsö Treasury Oyj);

(ii) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with a Taxing Jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon;

(iii) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such withholding or deduction by (i) complying (or procuring that any third party complies with) any statutory requirements, (ii) providing (or procuring that any third party provides) any certification or documentation or makes a claim under the laws or regulations of a Taxing Jurisdiction or an applicable tax treaty which are required to eliminate or reduce such withholding or deduction, or (iii) making (or procuring that any third party makes) a declaration of non-residence or other similar claim for exemption to the relevant tax authority in the place where the relevant Note (or the Note Certificate representing it) or Coupon is presented for payment; or

(iv) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) **"Taxing jurisdiction"** means the Kingdom of Sweden (in the case of payments by Hemsö Fastighets AB), or the Republic of Finland (in the case of payments by Hemsö Treasury Oyj), or in either case any political subdivision or any authority thereof or therein having the power to tax or any other jurisdiction or political subdivision or any authority thereof or therein having power to tax to which payments made by the relevant Issuer or (as the case may be) the Guarantor of principal or interest on the Notes or Coupons becomes generally subject to tax and references in these Conditions to the Kingdom of Sweden, or the Republic of Finland (as applicable) shall be construed as references to the Kingdom of Sweden, the Republic of Finland, and/or such other jurisdiction.

(c) *FATCA*: Notwithstanding any other provision of these Conditions, in no event will the relevant Issuer or the Guarantor be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof.

13. **Events of Default**

If any of the following events occurs and is continuing:

(a) *Non-payment:* the relevant Issuer or, as the case may be, the Guarantor fails to pay any amount of principal or interest in respect of the Notes within seven days of the due date for payment thereof; or

(b) *Breach of other obligations:* the relevant Issuer or, if applicable, the Guarantor defaults in the performance or observance of any of its respective other obligations under or in respect of the Notes and such default remains unremedied for 45 days after written notice thereof, addressed to the relevant Issuer, or if applicable, the Guarantor, by any Noteholder, has been delivered to the relevant Issuer, the Guarantor or to the Specified Office of the Fiscal Agent; or

(c) *Cross-default of Issuers, Guarantor or Material Subsidiary:*

(i) any Indebtedness of the relevant Issuer, the Guarantor or any Material Subsidiary is not paid when due (within any originally applicable grace period);

(ii) any Indebtedness of the relevant Issuer, the Guarantor or any Material Subsidiary becomes due and payable prior to its stated maturity otherwise than at the option of the relevant Issuer, the Guarantor, the relevant Material Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or

(iii) the relevant Issuer, the Guarantor, or any Material Subsidiary fails to pay when due (within any originally applicable grace period) any amount payable by it under any Guarantee of any Indebtedness;

**provided that** the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate amounts to at least 1 per cent. of Consolidated Total Assets; or

(d) *Unsatisfied judgment*: one or more judgment(s) or order(s) by a court of competent jurisdiction from which there is no right of appeal for the payment is rendered against the relevant Issuer, the Guarantor or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment, of any amount/an aggregate amount in excess of EUR 20,000,000 (or its equivalent in any other currency or currencies); or

(e) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the relevant Issuer, the Guarantor or any of their respective Subsidiaries; or

(f) *Insolvency etc.:* (i) the relevant Issuer, the Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the relevant Issuer, the Guarantor or any Material Subsidiary or the whole or any part of the undertaking, assets and revenues of the relevant Issuer, the Guarantor or any Material Subsidiary, (iii) the relevant Issuer, the Guarantor or any Material Subsidiary take any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the relevant Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business; or

(g) *Winding up etc.:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the relevant Issuer, the Guarantor or the insolvent or involuntary winding up, liquidation or dissolution of any Material Subsidiary; or

(h) *Analogous event:* any event occurs which under the laws of the Kingdom of Sweden, or the Republic of Finland (as applicable), has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or

(i) *Unlawfulness:* it is or will become unlawful for the relevant Issuer or the Guarantor to perform or comply with any of their respective obligations under or in respect of the Notes or the Guarantee of the Notes, or

(j) *Hemsö Treasury Oyj*: if, in the case of Notes issued by Hemsö Treasury Oyj, Hemsö Treasury Oyj ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by Hemsö Fastighets AB; or

(k) *Guarantee of the Notes not in full force and effect:* if the Guarantee of the Notes ceases to be, or is claimed by Hemsö Treasury Oyj or the Guarantor not to be, in full force and effect,

then any Note may, by written notice addressed by the Holder thereof to the relevant Issuer and the Guarantor and delivered to the relevant Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the relevant Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuers and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that***:*

(a) the relevant Issuer shall at all times maintain a fiscal agent and a registrar; and

(b) if a Calculation Agent is specified in the relevant Final Terms, the relevant Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the relevant Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

(a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the relevant Issuer and the Guarantor (acting together) and shall be convened by the relevant Issuer and the Guarantor upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of

the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

Any such meeting of Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Fiscal Agent may determine in accordance with the provisions of the Agency Agreement.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification:* The Notes, these Conditions, the Deed of Covenant and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or as a result of the operation of Condition 7(k) (*Floating Rate Note Provisions - Determination of Rate of Interest following acceleration*). In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the relevant Issuer and the Guarantor (if applicable) shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18. **Substitution**

The relevant Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, Hemsö Fastighets AB or a Subsidiary of Hemsö Fastighets AB (the "**Substitute**") in the manner specified in the Agency Agreement, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

(i) the Substitute shall have become party to the Agency Agreement *mutatis mutandis*, as if it had been an original party thereto and the Substitute shall enter into a deed of covenant on the same terms as the Deed of Covenant, mutatis mutandis;

(ii) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder, and Couponholder against any withholding, tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Note, Coupon or deed of covenant and which would not have been so imposed had the substitution not been made, as well as against any withholding, tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(iii) where the Substitute is not Hemsö Fastighets AB, the obligations of the Substitute under the Deed Poll, the Agency Agreement, the deed of covenant, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by Hemsö Fastighets AB substantially in the form of the guarantee contained in the Deed Poll;

(iv) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Agency Agreement, the Deed of Covenant, the Notes and Coupons, mutatis mutandis represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of Hemsö Fastighets AB have been taken, fulfilled and done and are in full force and effect;

(v) the Substitute, if incorporated in a jurisdiction other than England, shall have appointed an agent to receive, for and on its behalf, service of process in any Proceedings (as defined in Condition 23(d) (*Rights of the Noteholders to take proceedings outside England*)) in England;

(vi) each listing authority and stock exchange (if any) on which the Notes are then admitted to listing or trading shall have confirmed that, following the proposed substitution, the Notes will be admitted to listing or trading by such listing authority or stock exchange;

(vii) legal opinions, subject to customary assumptions and qualifications, addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (ii) above and in England as to the fulfilment of the preceding conditions of this Condition 18 (*Substitution*) and the other matters specified in the Deed Poll; and

(viii) the relevant Issuer shall have given at least 14 days' prior notice in accordance with Condition 20 (*Notices*) of such substitution to the Noteholders stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents.

References in Condition 13 (*Events of Default*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll.

19. **Further Issues**

The relevant Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

20. **Notices**

(a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

21. **Currency Indemnity**

If any sum due from the relevant Issuer or the Guarantor in respect of the Notes or the Guarantee of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the relevant Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes or the Guarantee of the Notes, the relevant Issuer or, if applicable, the Guarantor shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the relevant Issuer or, if applicable, the Guarantor and delivered to the relevant Issuer or, if applicable, the Guarantor, or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the relevant Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per

cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

(a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and construed in accordance with, English law.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

(c) *Appropriate forum*: The Issuers and the Guarantor agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*: Notwithstanding Condition 23(b) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of process*: The Issuers and the Guarantor each agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to The Swedish Trade & Invest Council at Business Sweden, 5 Upper Montagu Street, London W1H 2AG, United Kingdom or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuers and the Guarantor may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## FORM OF FINAL TERMS

[**IMPORTANT – [PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore as amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["Excluded Investment Products"]/["Specified Investment Products"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).]

**Final Terms dated [•]**

**[HEMSÖ FASTIGHETS AB] / [HEMSÖ TREASURY OYJ]**

**[Unconditionally and irrevocably guaranteed by Hemsö Fastighets AB]**

**Legal entity identifier (LEI): [549300VOTS5OZ82UTG69] / [743700D3NKZC0VKKPY05]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [[Green/Sustainability/Social] Bonds]**

**under the EUR 6,000,000,000 Euro Medium Term Note Programme**

# PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 8 November 2022 [and the supplemental base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the EU Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the websites of Euronext Dublin (https://live.euronext.com/en/markets/dublin) and the Issuer (www.hemso.se).]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [[26 August 2016]/[9 June 2017]/[20 April 2018]/[24 April 2019]/[22 April 2020]/[27 November 2020]/[8 November 2021]] [and the supplement to it dated [•]] which are incorporated by reference in the base prospectus dated 8 November 2022. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the EU Prospectus Regulation and must be read in conjunction with the base prospectus dated 8 November 2022 [and the supplement[s] to it dated [•] [and [•]] which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the websites of Euronext Dublin (https://live.euronext.com/en/markets/dublin) and the Issuer (www.hemso.se).]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

| | | | |
|---|---|---|---|
| 1. | (i) | Issuer: | [Hemsö Fastighets AB] / [Hemsö Treasury Oyj] |
| | [(ii) | Guarantor: | Hemsö Fastighets AB] |
| 2. | (i) | Series Number: | [•] |
| | (ii) | Tranche Number: | [•] |
| | [(iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [•]]. |
| 3. | Specified Currency or Currencies: | | [•] |
| 4. | Aggregate Nominal Amount: | | [•] |
| | (i) | Series: | [•] |

| | | | |
|---|---|---|---|
| | (ii) | Tranche: | [•]] |
| 5. | Issue Price: | | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] |
| 6. | (i) | Specified Denominations: | [•]<br><br>(*NB – Notes must have a minimum denomination of EUR100,000 (or equivalent)*)<br><br>(*If a Global Note is exchangeable for Definitive Notes at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination and integral multiples thereof*) |
| | (ii) | Calculation Amount: | [•] |
| 7. | (i) | Issue Date: | [•] |
| | (ii) | Interest Commencement Date: | [[•]/Issue Date/Not Applicable] |
| 8. | Maturity Date: | | [•] |
| 9. | Interest Basis: | | [[•] per cent. Fixed Rate]<br><br>[•] [CIBOR/EURIBOR/NIBOR/SOFR/SOFR Compounded Index/STIBOR] +/– [•] per cent. Floating Rate]<br><br>[Zero Coupon]<br><br>(see paragraph [14]/[15]/[16] below) |
| 10. | Redemption/Payment Basis: | | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] / [100] per cent. of their nominal amount. |
| 11. | Change of Interest or Redemption/Payment Basis: | | [Applicable/Not Applicable] |
| 12. | Put/Call Options: | | [Issuer Call]<br><br>[Investor Put]<br><br>[Change of Control Put Option]<br><br>[Clean-up Call]<br><br>[(further particulars specified in paragraphs [17]/[18]/[19]/[20] below)] |
| 13. | [(i)] | Status of the Notes: | [Senior] |
| | [(ii) | Status of the Guarantee of the Notes: | Senior] |
| | [(iii)] | [Date [Board] approval for issuance of Notes [and Guarantee of the Notes] obtained]: | [•] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | | |
|---|---|---|---|
| 14. | **Fixed Rate Note Provisions** | | [Applicable [from [•] to [•]]/Not Applicable] |
| | | | *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Rate[(s)] of Interest: | [•] per cent. per annum payable in arrear on each Interest Payment Date |
| | (ii) | Interest Payment Date(s): | [•] in each year up to and including the [Maturity Date / [•]] |
| | (iii) | Fixed Coupon Amount[(s)]: | [•] per Calculation Amount |
| | (iv) | Broken Amount(s): | [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] |
| | (v) | Day Count Fraction: | [30/360 / Actual/Actual (ICMA/ISDA)] |
| | | Determination Date | [[•] in each year][Not Applicable] |
| 15. | **Floating Rate Note Provisions** | | [Applicable [from [•] to [•]]/Not Applicable] |
| | | | *If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Specified Period: | [•][, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/not subject to any adjustment, or the Business Day Convention in (iv) below is specified to be Not Applicable] |
| | (ii) | Specified Interest Payment Dates: | [•][, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/not subject to any adjustment, or the Business Day Convention in (iv) below is specified to be Not Applicable] |
| | (iii) | First Interest Payment Date: | [•] |
| | (iv) | Business Day Convention: | [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment] [Not Applicable] |
| | (v) | Additional Business Centre(s): | [Not Applicable/[•]] |
| | (vi) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): | [•] |
| | (vii) | Screen Rate Determination: | |
| | | • Reference Rate: | [•] [CIBOR/EURIBOR/NIBOR/SOFR/SOFR Compounded Index/STIBOR] |
| | | • Observation Method: | [Lag / Observation Shift] |
| | | • Lag Period: | [5/[●] U.S. Government Securities Business Days/Not Applicable] |

| | | | |
|---|---|---|---|
| | | • Observation Shift Period: | [5/[●] U.S. Government Securities Business Day /Not Applicable]<br><br>(*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*) |
| | | • D: | [360/365/[ ]] / [Not Applicable] |
| | | • Index Determination | [Applicable/Not Applicable] |
| | | • SOFR Compounded Index: | [Applicable/Not Applicable] |
| | | • Relevant Decimal Place: | [•] [5] |
| | | • Relevant Number of Index Days: | [•] [5] |
| | | • Interest Determination Date(s): | [•] |
| | | • Relevant Screen Page: | [•] |
| | | • Relevant Time: | [•] |
| | | • Relevant Financial Centre: | [•] |
| | (viii) | Linear Interpolation: | [Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| | (ix) | Margin(s): | [+/-][•] per cent. per annum |
| | (x) | Minimum Rate of Interest: | [•] per cent. per annum |
| | (xi) | Maximum Rate of Interest: | [•] per cent. per annum |
| | (xii) | Day Count Fraction: | [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] |
| 16. | **Zero Coupon Note Provisions** | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | (i) | Accrual Yield: | [•] per cent. per annum |
| | (ii) | Reference Price: | [•] |
| | (iii) | Day Count Fraction in relation to early Redemption Amounts: | [30/360 / Actual/Actual (ICMA/ISDA)] |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| 17. | **Call Option** | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |

| | | | |
|---|---|---|---|
| | (i) | Optional Redemption Date(s): | [•] |
| | (ii) | Par Call Commencement Date: | [•] |
| | (iii) | Optional Redemption Amount(s) (Call) of each Note: | [[•] per Calculation Amount / Make-Whole Redemption Amount] [in the case of the Optional Redemption Date(s) falling [on [•]]/[in the period from and including [*insert date 3 months prior to maturity*]/[*other date*] to but excluding [*date*]] [and [[•] per Calculation Amount/Make-Whole Redemption Amount] [in the case of the Optional Redemption Date(s) falling [on [•]/in the period from and including [*date*] to but excluding [*date*]] |
| | | [(a) Reference Bond: | [DA Selected Bond] / [*Insert applicable Reference Bond*]<br><br>(*If a Par Call Commencement Date is included, the Reference Bond should mature on the Par Call Commencement Date rather than the Maturity Date*) |
| | | [(b) Quotation Time: | [•] |
| | | [(c) Make-Whole Redemption Margin: | [•] per cent. |
| | (iv) | Redeemable in part: | [Applicable/Not Applicable/[*provide details*]] |
| | | (a) Minimum Redemption Amount: | [•] |
| | | (b) Maximum Redemption Amount | [•] |
| | (v) | Notice period: | [•] |
| 18. | **Put Option** | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Redemption at the option of the Noteholder (Condition 9(e)): | [Applicable/Not Applicable] |
| | (ii) | Optional Redemption Date(s) (Call): | [•] |
| | (iii) | Optional Redemption Amount(s) of each Note (Call): | [•] per Calculation Amount |
| | (iv) | Notice period: | [•] |
| 19. | **Change of Control Put Option** | | [Applicable/Not Applicable] |
| 20. | **Clean-up Call Option:** | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Clean-up Call Redemption Amount: | [•] per Calculation Amount |

| | | |
|---|---|---|
| | (ii) Notice period: | [•] |
| 21. | **Early Termination Amount**<br><br>Early Termination Amount(s) per Calculation Amount payable on redemption on event of default or other early redemption: | [[•]/[Par] per Calculation Amount/Not Applicable] |
| 22. | **Final Redemption Amount of each Note** | [•] /[Par] per Calculation Amount |
| 23. | **Early Redemption Amount**<br><br>Early Redemption Amount(s) per Calculation Amount payable on redemption on event of default or other early redemption: | [[•] /[Par] per Calculation Amount/Not Applicable] |
| 24. | **Early Redemption Amount (Tax)**<br><br>Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons: | [[•] /[Par] per Calculation Amount/Not Applicable] |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | |
|---|---|---|
| 25. | **Form of Notes:** | [Bearer Notes:]<br><br>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]<br><br>[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]<br><br>[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]<br><br>[Registered Notes]<br><br>Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note<br><br>[and<br><br>Global Registered Note [(U.S.$/Euro [•] nominal amount)] registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).<br><br>(*The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect:* |

| | | |
|---|---|---|
| | | *"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000".*<br><br>*Furthermore, such Specified Denomination construction should not be used in relation to any issuance of Notes which is to be represented on issue by a Permanent Bearer Global Note exchangeable for Definitive Notes.*) |
| 26. | New Global Note/New Safekeeping Structure: | [Yes] [No] [Not Applicable] |
| 27. | Additional Financial Centre(s): | [Not Applicable/*give details*. *Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest end dates, to which sub-paragraph 15(v) relates*] |
| 28. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.] |
| 29. | Relevant Benchmark[s]: | [[CIBOR]/[EURIBOR]/[NIBOR]/[STIBOR][SOFR] is provided by [administrator legal name]][*repeat as necessary*]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation] ]/[As far as the Issuer is aware, as at the date hereof, [CIBOR]/[EURIBOR]/[NIBOR]/[STIBOR]/[SOFR] does not fall within the scope of the EU Benchmarks Regulation]/[Not Applicable] |

Signed on behalf of [Hemsö Fastighets AB] / [Hemsö Treasury Oyj]:

By: .....
*Duly authorised*

[Signed on behalf of Hemsö Fastighets AB:

By: .....
*Duly authorised*]

# PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

| | | |
|---|---|---|
| (i) | Admission to Trading: | [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [•]] |
| (ii) | Estimate of total expenses related to admission to trading: | [•] |

2. **RATINGS**

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]/[the Notes to be issued will be unrated]:

[[S&P Global Ratings Europe Limited ("**S&P**")]/[Fitch Ratings Ireland Limited ("**Fitch**")]: [•]]

[*Add a brief explanation of the meaning of the ratings if previously published by the ratings provider.*]

[S&P]/[Fitch]/[•] is established in the EEA and registered under Regulation (EU) No. 1060/2009, as amended (the "**EU CRA Regulation**") / the rating [S&P]/[Fitch]/[•] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EU) No1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") / [S&P]/[Fitch]/[•] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") / [S&P]/[Fitch]/[•] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK)

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for the fees [of [•]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

| | | |
|---|---|---|
| [(i) | Reasons for the offer | [•] / [*The Issuer intends to apply the net proceeds from this offer of Notes specifically for projects or activities* |

| | | |
|---|---|---|
| | | *that promote climate-friendly and/or other environmental purposes / other "[Green/Sustainability/Social] Bond" description*]<br><br>*(See "USE OF PROCEEDS" wording in Base Prospectus – if reasons for offer different will need to include those reasons here.)*] |
| | [(ii)] Estimated net proceeds: | [•]<br><br>*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)* |
| 5. | **[*Fixed Rate Notes only* – YIELD** | |
| | Indication of yield: | [•] per cent.<br><br>[*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.*] |
| 6. | **OPERATIONAL INFORMATION** | |
| | ISIN: | [•] |
| | Common Code: | [•] |
| | FISN: | [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| | CFI Code: | [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| | Any clearing system(s) other than Euroclear or Clearstream, Luxembourg | [Not Applicable/[•]] |
| | Delivery: | Delivery [against/free of] payment |
| | Names and addresses of additional Paying Agent(s) (if any): | [•] |
| | [Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Notes which are held under the NSS] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will |

depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [[and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. **DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of Distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated: | |
| | Names of Dealers | [Not Applicable/*give names*] |
| | Stabilisation Manager(s), if any: | [Not Applicable/*give names*] |
| (iii) | If non-syndicated, name of Dealer: | [Not Applicable/*give names*] |
| (iv) | U.S. Selling Restrictions: | [Reg S Compliance Category [1/2];<br><br>(*In the case of Bearer Notes*) TEFRA C/TEFRA D/TEFRA Not Applicable] |
| (v) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>*(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |
| (vi) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br><br>*(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared,*<br>*Applicable" should be specified.)* |
| (vii) | Prohibition of Sales to Belgian Consumers: | [Applicable/Not Applicable] |

(*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)

8. **PROVISIONS RELATING TO [GREEN/SUSTAINABILITY/SOCIAL] BONDS**

| | | |
|---|---|---|
| (i) | [Green/Sustainability/Social] Bonds: | [Yes/No] |
| (ii) | [Reviewer(s):] | [Name of sustainability rating agency(ies) [and name of third party assurance agent] and [give details of compliance opinion(s) and availability]] |
| (iii) | [Date of third party opinion(s):] | [Not Applicable/give details] |

## FORMS OF THE NOTES

**Bearer Notes**

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper (the "**Common Safekeeper**") for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Where Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

***Temporary Global Note exchangeable for Permanent Global Note***

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

(a) on the expiry of such period of notice as may be specified in the Final Terms; or

(b) at any time, if so specified in the Final Terms; or

(c) if the Final Terms specifies "in the limited circumstances specified in the Permanent Global Note", then if either of the following events occurs:

  (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs and the Notes become due and payable.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

(c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

***Temporary Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

***Permanent Global Note exchangeable for Definitive Notes***

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances specified in the Permanent Global Note", then if either of the following events occurs:

  (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

(ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs and the Notes become due and payable.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

***Rights under Deed of Covenant***

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form* " below.

***Legend concerning United States persons***

In the case of any Tranche of Bearer Notes (other than Temporary Global Notes) and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED."

**Registered Notes**

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The relevant Final Terms will indicate whether such Registered Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Notes are to be so held does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note ", then if either of the following events occurs:

  (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or

  (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs and the Notes become due and payable.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or

(b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or common safekeeper or nominee for that depositary, common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

### Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions which will be appended to the back of the relevant Global Note:

*Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day*: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date*: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

*Exercise of put option:* In order to exercise the option contained in Condition 9(e) (*Redemption and Purchase - Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put

notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Relevant Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Relevant Issuer*) and notice to that effect shall be given by the relevant Issuer to the Noteholders in accordance with Condition 20 (*Notices*) at least five days prior to the Selection Date.

*Notices:* Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

*Electronic Consent and Written Resolution:* While any Global Note or Global Registered Note is held on behalf of Clearstream, Luxembourg, Euroclear or any other relevant clearing system, then:

(a) approval of a resolution proposed by the relevant Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-quarters in aggregate principal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent or voted in a manner contrary to the majority; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the relevant Issuer and the Fiscal Agent shall be entitled to rely on consent or instructions given in writing directly to the relevant Issuer or the Fiscal Agent by (a) accountholders in the clearing system with entitlements to such Global Note or a Global Registered Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the relevant Issuer and the Fiscal Agent shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or

Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the relevant Issuer nor the Fiscal Agent shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## USE OF PROCEEDS

The relevant Issuer intends to apply the net proceeds of the issue of the Notes for general corporate purposes, unless otherwise specified in the relevant Final Terms.

In particular, if so specified in the applicable Final Terms, the relevant Issuer intends to apply an amount equal to the net proceeds from an offer of Notes specifically for Eligible Projects and Assets. Such Notes may also be referred to as "**Green Bonds**" (where the Eligible Projects and Assets meet the Green Criteria set out in the Framework, defined below), "**Sustainability Bonds**" (where the Eligible Projects and Assets meet the Green Criteria and the Social Criteria set out in the Framework, defined below) or "**Social Bonds**" (where the Eligible Projects and Assets meet the Social Criteria set out in the Framework, defined below), as the case may be.

Eligible Projects and Assets have been (or will be, as the case may be) selected by Hemsö from time to time in accordance with the categorisation of eligibility for Green Bonds, Sustainability Bonds and Social Bonds set out in Hemsö's Sustainability Bond Framework (the "**Framework**") which sets out the added environmental criteria required for such issuances (the "**Sustainability Bond Terms**"). The Framework is available for viewing on Hemsö's website at: https://www.hemso.se/contentassets/e8039fdf893c4818a31d63b63e4594c9/20180712140653.pdf.

Hemsö strives to monitor the development of the green bond, sustainability bond and social bond markets to continually advance the sustainable terms of its Framework. Accordingly the Framework may be updated from time to time to reflect current market practices. In establishing the terms in the current Framework (published in July 2018) Hemsö has sought to comply with the Green Bond Principles 2018, the Social Bond Principles 2018 and the Sustainability Bond Guidelines 2018 and current best market practice.

Sustainalytics (an independent provider of environmental, social and governance research, ratings, and analysis) has evaluated the Framework and has issued a second-party opinion on the Sustainability Bond Terms confirming that these align with the core components of the Green Bond Principles 2018, the Social Bond Principles 2018 and the Sustainability Bond Guidelines 2018. The opinion is publicly available on Hemsö's website.

Hemsö has established a committee consisting of members from the finance and sustainability departments to nominate and select Eligible Projects and Assets (which must comply with the Sustainability Bond Terms, applicable law and regulation as well as Hemsö's internal policies and guidelines). If an Eligible Project or Assets no longer qualifies according to the Sustainability Bond Terms, the funds will either be reallocated to other Eligible Projects and Assets or returned to the sustainability bond account (a separate account where Green Bonds, Sustainability Bonds and Social Bonds proceeds are credited). The Framework provides that any proceeds of Green Bonds, Sustainability Bonds and Social Bonds that are not yet allocated to Eligible Projects and Assets may be invested in short term interest bearing securities according to Hemsö's financial policy. Hemsö will report on the use of proceeds and adherence to the Sustainability Bond Terms as part of its annual financial and sustainability reporting with relevant information available on Hemsö's website.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Hemsö) which may be made available in connection with the issue of any Notes and in particular with any Eligible Projects and Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the relevant Issuer, the Guarantor (if applicable), or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. See further information under the risk factor above headed, "*Risk Factors - In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, Sustainability Bond or Social Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*".

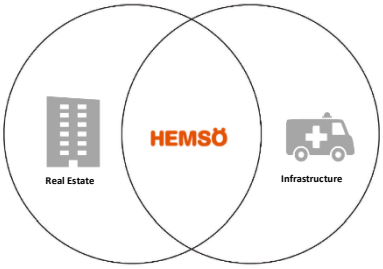
## DESCRIPTION OF HEMSÖ FASTIGHETS AB

## HEMSÖ FASTIGHETS AB

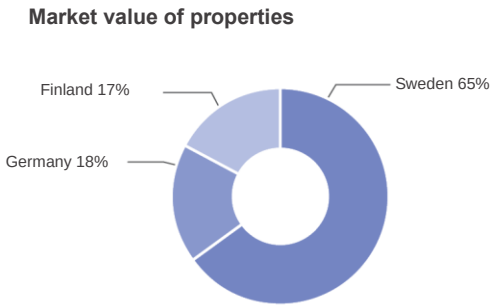
### General

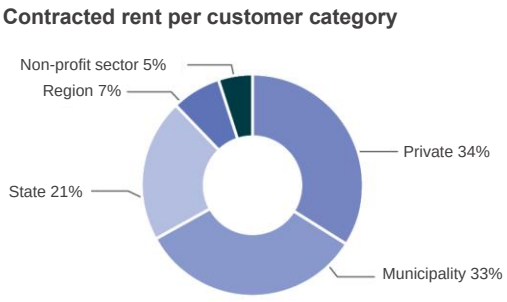
Hemsö Fastighets AB ("**Hemsö**", and together with its subsidiaries (including 50 per cent. owned joint ventures) taken as a whole from time to time, the "**Group**") is incorporated as a limited liability company under the laws of the Kingdom of Sweden (Sweden) pursuant to the Swedish Companies Act (*Sw. aktiebolagslagen 2005:551*) and registered in Sweden with registration number 556779-8169. Hemsö strives to be the backbone of society by sustainably owning, managing and developing properties for public use ("**Social Infrastructure**") within the nursing home, education, healthcare and justice system. Its primary strategy is to have a presence in growth regions in which there is strong long-term demand for properties for public use and to engage in effective and sustainable management. Hemsö was one of the first Swedish companies to focus on properties for public use in Sweden and, over the course of 20 years, has strengthened its position as market leader by developing its existing portfolio and through acquisitions and project development. As a result of strategic acquisitions and divestments, efficient property management and an established project development organisation, today Hemsö is Sweden's leading owner of properties for public use[1]. In addition, Hemsö has established operations in Finland and Germany.




65 per cent. of Hemsö's portfolio is located in Sweden, 18 per cent. in Germany and 17 per cent. in Finland. As at 30 September 2022, Hemsö's property portfolio was valued at SEK 85.0 billion (compared to SEK 73.5 billion as at 30 September 2021) with a lettable area of 2,339,000 $m^2$ (compared with 2,226,000 $m^2$ as at 30 September 2021). 61 per cent. (compared to 63 per cent. as at 30 September 2021) of rental income is derived from public sector tenants such as the State, municipalities, and county councils. The remainder is derived predominantly from private tenants who conduct publicly funded activities.



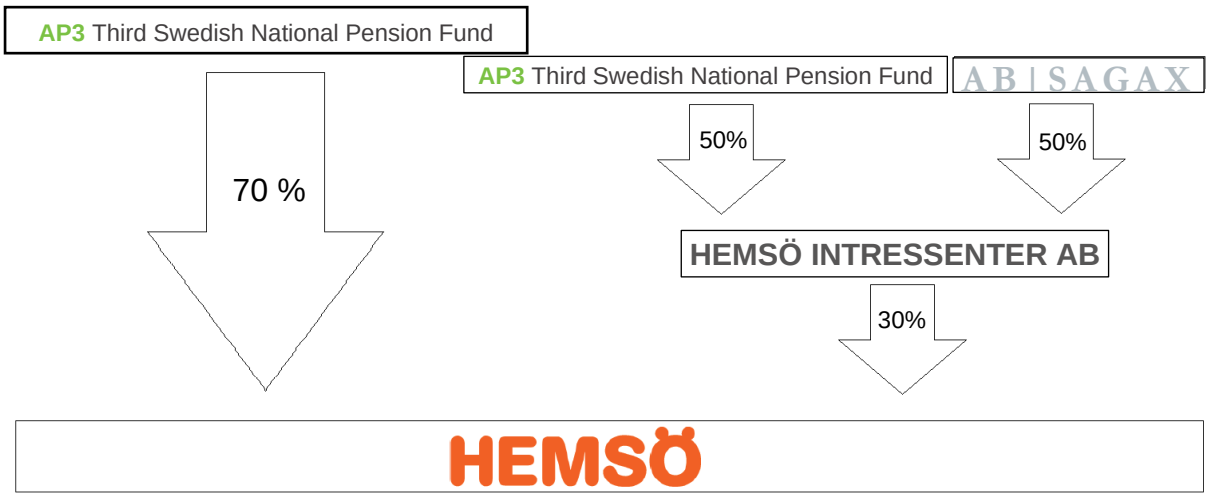

The business operations of Hemsö started in 2001 when the first properties for public use were acquired under Kungsleden AB (publ)'s ("**Kungsleden**") management. Hemsö became an independent company when it was incorporated under the laws of the Kingdom of Sweden as a public limited liability company (*publikt aktiebolag*) on 13 January 2009. It was registered with the Swedish Companies Registration Office (*Bolagsverket*) on 23 March 2009 (with corporate identity number 556779-8169) and has been conducting operations since then in accordance with the Swedish Companies Act (2005:551). Hemsö's registered office and domicile is at Box 24

[1] Based on Hemsö's property portfolio value in relation to Hemsö's assessment of the size of the markets in question and the property portfolio value of Hemsö's competitors

281, SE-104 51 Stockholm, Sweden, with telephone number +46 8501 170 00. Since 2013, Hemsö has been owned by the Third Swedish National Pension Fund ("**AP3**") (70 per cent.) and Hemsö Intressenter AB[2] (30 per cent.). To the best of Hemsö's knowledge, the rights of AP3 and Hemsö Intressenter AB as the shareholders of Hemsö are contained in Hemsö's articles of association and Hemsö will be managed in accordance with those articles and with the provisions of Swedish law.

**Legal Structure**

The following table represents the ownership structure of Hemsö:




AP3 is a Government authority and is one of five so-called buffer funds within the Swedish national pension system. Hemsö is classified as an alternative investment by AP3. Christina Lindenius is the Chairman of the board of AP3. Kerstin Hessius[3], CEO of AP3, is a member of Hemsö's board. AB Sagax is a property company listed on the regulated market of Nasdaq Stockholm and owns commercial properties, primarily in the warehouse and light industrial sector, mainly in Sweden and Finland. David Mindus, board member and Managing Director of AB Sagax, is also on Hemsö's board.

[2] Hemsö Intressenter AB is, in turn, owned in equal shares by AP3 and AB Sagax (publ).

[3] Kerstin Hessius is due to step down from her role as CEO of AP3 from 31 December 2022. Staffan Hansén has been announced as her successor.

**History**

*2001 – 2011*

In 2001, as part of its aim to generate a high and stable yield, Kungsleden acquired properties with long leases within the nursing home sector. In 2005, Kungsleden increased its focus on properties with public sector activities, by expanding to include business areas such as healthcare, schools and the justice system. In 2006, Kungsleden established operations in the German market through the acquisition of nine nursing homes, thereby increasing Hemsö's geographic diversification.

AP3 agreed in 2008 to acquire 50 per cent. of Kungsleden's portfolio of properties for public use in Sweden. In 2009 Hemsö was formed and AP3 became an owner of Hemsö. The establishment of Hemsö as an independent operational company with its own management team was completed in 2011 and the head office relocated to a separate address in Stockholm. During 2011, Hemsö acquired 17 properties from Kungsleden in Germany with a combined property value of SEK 1.3 billion.

*2012*

In 2012, Hemsö continued to grow the value of its property portfolio and made a number of acquisitions and some minor divestments. Hemsö also issued its first bond in May 2012, which was issued on the Swedish market (an unsecured three-year bond of SEK 750 million). At the end of 2012, AP3 signed an agreement with Kungsleden to acquire the remaining 50 per cent. of the shares in Hemsö.

*2013*

Hemsö made its first acquisition in the Finnish market in 2013. In order to broaden the supply of capital and secure financing needs over time, Hemsö established a programme for the issuance of commercial paper with a programme limit of SEK 2.0 billion as well as a Swedish MTN programme with a programme limit of SEK 6.0 billion. AB Sagax (a listed Swedish real estate company) acquired a 50 per cent. stake in Hemsö Intressenter AB which, in turn, owns 30 per cent. of Hemsö.

*2014*

In 2014, Hemsö acquired 33 properties and sold 68 properties. Through these transactions, Hemsö concentrated its property portfolio in growth regions and created more efficient management units. Properties which were not in line with Hemsö's strategy in terms of location, category and potential were sold. High quality properties primarily within the education, health care and justice system were acquired. Hemsö's property portfolio was expanded with a major investment in research and education facilities next to Karolinska Universitetssjukhuset in Huddinge. Further properties were added to the portfolio in Germany and Finland.

*2015*

In March 2015, Hemsö obtained a credit rating of ʻA-' from S&P. During the year, Hemsö repaid its shareholder loan with a nominal value of SEK 3.0 billion by means of a rights issue which did not affect Hemsö's ownership structure. In June, Hemsö and SveaNor established a jointly owned project development company called Vitartes, with a focus on Health Care properties and a potential project volume of approximately SEK 4 billion. During the third quarter, Hemsö decided to include sustainability as a core business focus.

*2016*

In May 2016 Hemsö issued its first Sustainability Bond. In August 2016 Hemsö established an EMTN programme with a limit of EUR 3.0 billion. In September 2016 the first bond was issued under the programme into the European market. As at 31 December 2016, Hemsö's property portfolio comprised 356 properties with a total property value of SEK 33.6 billion. During 2016 Hemsö appointed Nils Styf as CEO and Rutger Källén as CFO.

*2017*

During the second quarter of 2017 Hemsö issued euro bonds of EUR 385 million with maturities between 12 to 15 years. In June Hemsö was named "Investor of the Year" at the annual nursing and elderly care trade fair Altenheim Expo 2017 in Germany. In August 2017 Hemsö acquired an environmental and research centre in Duisburgh, Germany. As at 31 December 2017, Hemsö's property portfolio comprised 346 properties with a total property value of SEK 38.9 billion.

*2018*

In March 2018, Hemsö acquired three university properties in central Helsinki. The tenant is the University of Arts which signed a new long-term lease agreement. The total investment volume, including renovation was SEK 800 million. In July 2018 Hemsö signed an unsecured SEK 3 billion loan agreement with European Investment Bank ("**EIB**"). Hemsö will use the long-term (up to 25 years) financing facility to build healthcare and research infrastructure, elderly care homes and educational facilities, all to nearly-zero-energy-building ("**NZEB**") standards. In December, Hemsö purchased the Helsinki Court House for approximately EUR 200 million. The largest tenant is the Finnish state. The total leasable area is nearly 50,000 sqm and the remaining lease term is 12 years. As at 31 December 2018, Hemsö's property portfolio comprised 365 properties with a total property value of SEK 46.2 billion.

*2019*

Hemsö signed an agreement during the year for 11 new production projects in Sweden, Finland and Germany. The volume of investment for these projects amounts to SEK 2.2 billion, with annual rental income of SEK 135 million, a rental duration of 19 years and where the Swedish Government, county councils and municipalities account for 80 per cent. of rental income. The completed and newly subscribed projects consist of nursing homes, kindergartens, primary schools, colleges and rescue centres. They include 3,300 school places, 5,000 college places and 900 nursing home places. Hemsö sees a great opportunity in contributing to the creation of the social infrastructure needed in the future. As at 31 December 2019, Hemsö's property portfolio comprised 370 properties with a total property value of SEK 55.0 billion.

*2020*

Hemsö continued its growth in Germany by acquiring five secure housing facilities and nursing homes. In addition Hemsö acquired one educational property for the justice system in Wiesbaden, Germany. In Finland, Hemsö acquired an upper secondary school in Jyväskylä and a university building in Helsinki. Hemsö also strengthened its position in Turku by acquiring shares in Turku Technology Properties Oy.

During the first quarter 2020 Hemsö withdrew equivalent to SEK 1.1 billion under the existing credit framework with the EIB for investing in new construction and redevelopment in accordance with the NZEB standard for energy efficient social infrastructure. In April 2020 Hemsö obtained a credit rating of ʻA' from Fitch.

*2021*

Hemsö issued a seven-year EUR 500 million bond with a coupon of zero per cent, with an effective annual interest rate of 0.12 per cent. Fitch upgraded Hemsö's credit rating to A+ with a stable outlook.

Hemsö acquired a campus in central Uppsala for conversion into a school campus. The investment amount was approximately SEK 1 billion. Hemsö's shareholders decided to make an additional equity injection of SEK 1 billion. Hemsö increased its shareholding in the Finnish associated company Turku Technology Properties to 44 per cent.

Hemsö and Tagebad established a jointly owned company called Hemtag Fastigheter AB to develop, own and manage bathing and wellness facilities.

During the last quarter of 2021 Hemsö signed a loan agreement of SEK 1 billion with the EIB. The capital will be used to build more energy-efficient public properties in Sweden and Finland. Sweden Green Building Council ("**SGBC**") named Hemsö winner of the Zero$CO_2$ Project of the Year.

*2022 (Q1 – Q3)*

During the first quarter of 2022, Hemsö issued sustainability bonds in the amount of SEK 1.4 billion and borrowed the equivalent of SEK 1 billion from the EIB. Hemsö acquired four nursing homes in the states of Bavaria and Brandenburg in Germany, the total investment amounting to EUR 46 million. Hemsö signed an agreement to develop a new elementary and upper secondary school for 860 students as well as 98 new housing units for students and researchers in the Kristiansborg area by Mälardalen University in Västerås, the City of Västerås and Jensen Education have signed 15-year rental agreements for the schools. The total investment is estimated at SEK 400 million.

During the second quarter of 2022, Hemsö and Hoivamme signed a framework agreement for the construction of 10–12 nursing homes in Finland, the investment amounts to EUR 50 million. The Swedish Football Association, Upplands-Bro Municipality and Hemsö launched a feasibility study on the establishment of a new national training and education centre in Kungsängen. Hemsö was awarded the rental agreement for the new Vänersborg District Court. This rental agreement with the Swedish Courts is for a period of 15 years and comprises 7,000 sq.m. Johanna Skogestig, CEO of Vasakronan, was elected to Hemsö's Board on 1 July 2022.

During the third quarter of 2022, Hemsö increased its credit facilities by SEK 2 billion, of which SEK 1 billion from a Nordic bank and a SEK 1 billion increase of the subscription agreement from the Third Swedish National Pension Fund. Hemsö signed a 15-year rental agreement with Ambea for the expansion, modernisation and further development of Villa Sarvträsk, an existing nursing home in Nacka. The investment amount was approximately SEK 130 million. The City of Stockholm granted Hemsö two land-use agreements totalling 20,000 sqm for the development of a training facility for Djurgården Hockey Club in Tallkrogen, and a sports centre in Bromma. S&P affirmed Hemsö’s credit rating of A- with a stable outlook.

The table below shows the change in the value of Hemsö's property portfolio as at 30 September 2022, compared to 31 December 2021.

**Changes in value of property portfolio**

| | **SEK million** | **Number** |
|---|---|---|
| Carrying amount at beginning of the year | 75,737 | 441 |
| Acquisitions | 1,923 | 26 |
| Investments in new construction, extension and refurbishment | 2,838 | - |
| Divestment | -3 | -1 |
| Disposal of assets | -31 | - |
| Property adjustment | - | 2 |
| Exchange-rate fluctuations | 1,788 | - |
| Unrealised changes in value | 2,752 | - |
| **Carrying amount at period-end** | **85,004** | **468** |

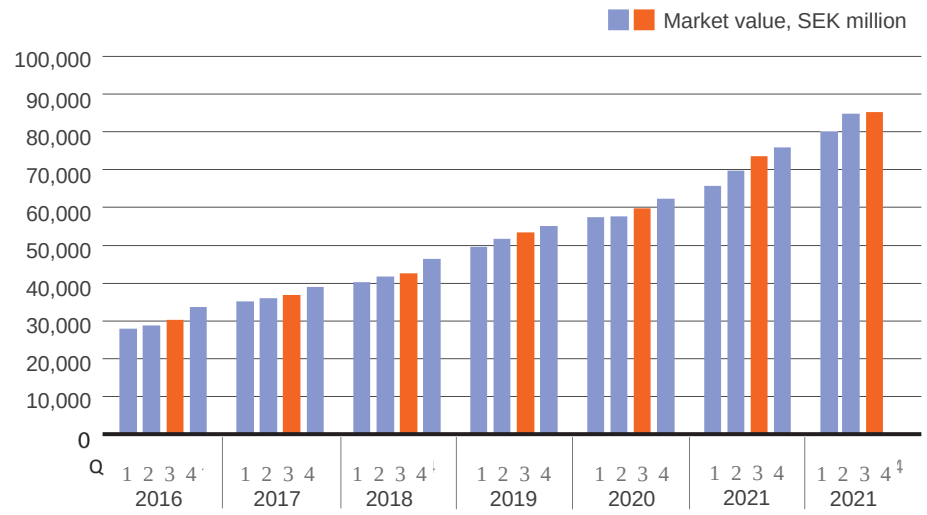
The table below shows Hemsö's largest ongoing development projects (over SEK 100 million in value) as at 30 September 2022.

| Municipality | Project | Category | Certification | Area, sqm | Investment, SEK million | Remaining investment, SEK million | Increase in rental value, SEK million | Leasing rate, % | Year of completion |
|---|---|---|---|---|---|---|---|---|---|
| Huddinge | Nya Novum | Health care | BREEAM | 49,000 | 910 | 659 | 34 | 61% | 2024 |
| Lahti | Paavola Campus[1)] | Education | - | 6,500 | 178 | 98 | 17 | 100% | 2023 |
| Göteborg | Silverkällan | Nursing home | Miljöbyggnad | 13,200 | 500 | 34 | 40 | 96% | 2022 |
| Nacka | Stavsborgsskolan | Education | Miljöbyggnad | 13,000 | 327 | 192 | 32 | 100% | 2023 |
| Staffanstorp | IES Staffanstorp | Education | Miljöbyggnad | 7,000 | 300 | 15 | 16 | 100% | 2022 |
| Stockholm | Lilla Tensta | Education | - | 16,800 | 285 | 196 | 30 | 0% | 2023 |
| Postdam-Mittelmark | Kleinmachnow | Nursing home | - | 6,700 | 177 | 7 | 10 | 100% | 2022 |
| Upplands Väsby | Vågen Vilunda | Nursing home | Svanen | 6,200 | 226 | 26 | 15 | 100% | 2022 |
| Lund | Växthuset idrott | Education | Miljöbyggnad | 4,700 | 123 | 52 | 8 | 100% | 2023 |
| Büttelborn | Büttelborn | Nursing home | - | 6,200 | 181 | 81 | 12 | 100% | 2022 |
| Täby | Bylegård | Nursing home | Miljöbyggnad | 5,600 | 155 | 8 | 12 | 100% | 2022 |
| Uppsala | Kronåsen Campus | Education | - | 16,200 | 250 | 229 | 34 | 100% | 2023 |
| Lauritsa | Villmanstrand | Justice system | - | 3,100 | 116 | 31 | 8 | 100% | 2022 |
| Uleåborg | Raksila | Justice system | BREEAM | 2,300 | 102 | 67 | 7 | 100% | 2023 |
| **Total** | | | | **156,500** | **3,830** | **1,695** | **274** | | |

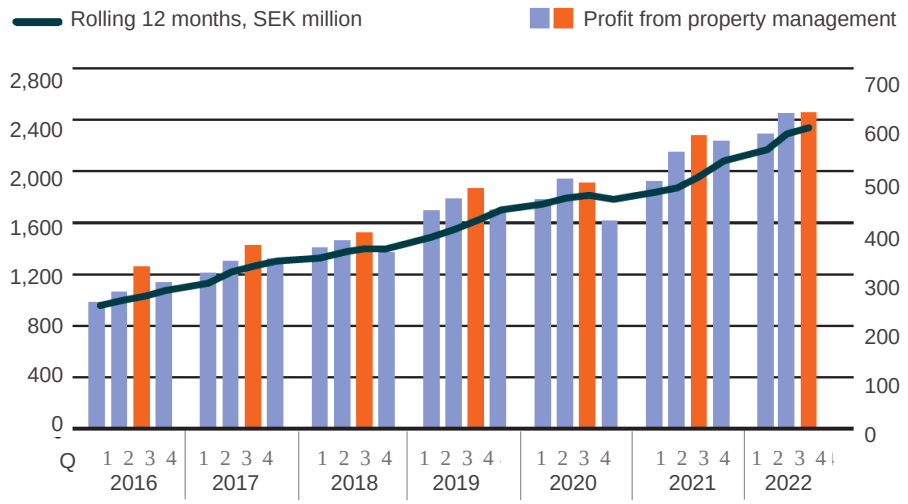
1) 4 out of 5 projects are completed as of Q3 2022.

The following two charts show the historic development of Hemsö's property portfolio.

### Market value of properties, SEK million



**Profit from property management, SEK million**




**Business Model and Strategy**

Hemsö owns, manages and develops properties for public use in an economically, socially and environmentally sustainable manner. Premises are let primarily for activities within the nursing homes, education, health care and justice system. The strategy is to maintain a diversified property portfolio in terms of category, tenant structure and geographic market. Accordingly, Hemsö currently has operations in Sweden, Finland and Germany in each case in areas that are considered to possess long-term growth prospects. Within each region, the properties are geographically concentrated in order to promote efficient management. Hemsö's tenants consist primarily of the Government, county councils and municipalities, but to a certain extent also private operators who conduct publicly-financed activities. The tenants' activities impose specific demands as regards premises, external areas and management. Accessibility, user-friendliness for the disabled, security, suitability for a pupil/student base and public authority requirements are some of the key requirements. In addition to acquisitions, Hemsö creates growth by project development, both by developing new-build properties and within the existing property portfolio. Hemsö aims to ensure that its project development business is characterised by:

- lease agreements being in place for a substantial part of each new development prior to the commencement of each project;
- long leases;
- sustainable production and sustainable end products; and
- fixed-price turnkey projects.

In order to create favourable opportunities for acquisitions and developments, Hemsö promotes good relations with municipalities, county councils as well as private sector and governmental operators. Hemsö is an independent company and therefore has to go through procurement and tender processes in respect of such acquisitions and developments. Maintaining good relationships with regular counterparties is essential to the success and development of Hemsö.

To clarify Hemsö's strategy, Hemsö has four real estate frameworks. The frameworks aim to ensure that the risk in the property portfolio is low and that Hemsö's cash flow is stable over time.



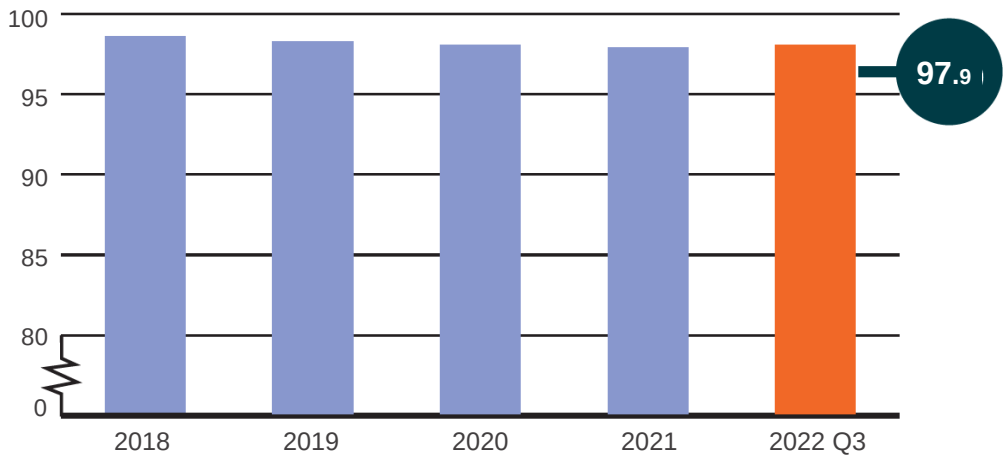

*Asset management*

Hemsö's asset management focuses on efficiency, sustainability and customising the needs of the tenants. Hemsö works in close cooperation with its tenants to understand their future needs and requirements and consequently Hemsö's management believes that it has a good general knowledge and understanding of its customers' businesses. The properties are concentrated in certain geographical areas in order to create efficient management. Hemsö's tenants engage in long-term activities with long leases, a factor which facilitates sustainable management and efficient use of resources.

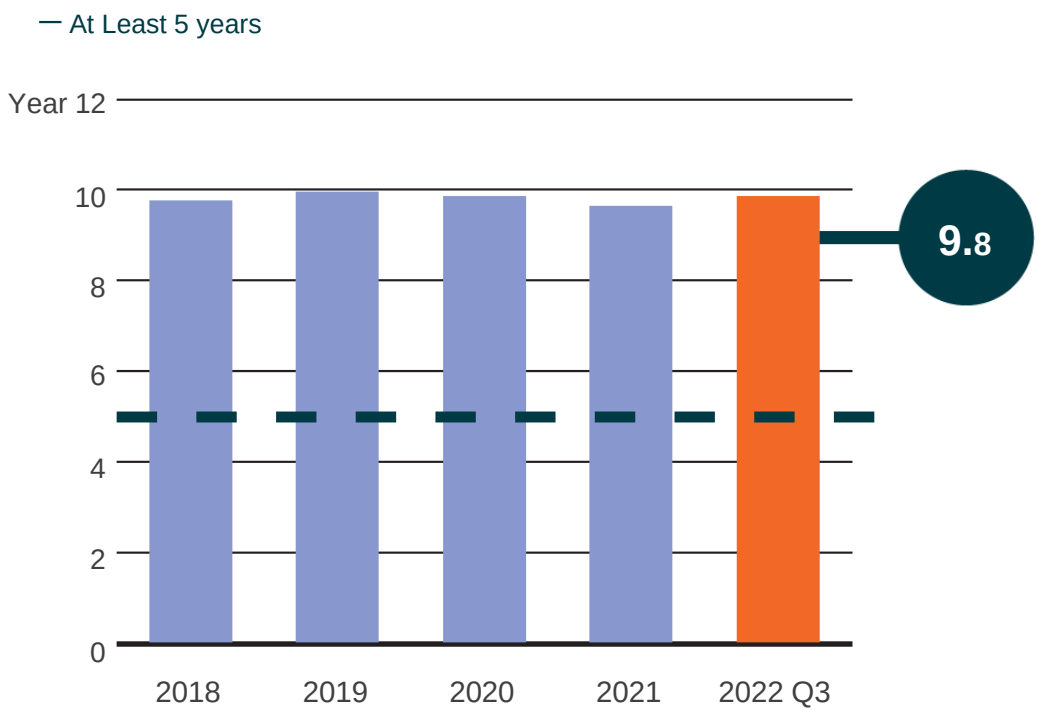
Hemsö has a clear focus on development and continually improving efficiency in order to exploit the economies of scale available to a company of its size. Management in Sweden is organised into four regions: East, West, Central/North and South. Customer relations and property development are handled locally by each regional team. In addition, Hemsö has country managers in Finland and Germany whose role also covers asset management for those countries. Contact with tenants is handled locally by the managers and responsible personnel in each region/country. In addition, Hemsö has customer account managers with specific responsibility for larger tenants in Sweden, such as the Swedish Police Authority, the Stockholm Region, Academedia, the City of Turku and Attendo.

Hemsö places great importance on keeping vacancy levels as low as possible. The occupancy rate as at 30 September 2022 was 97.9 per cent. (98.0 per cent. as at 30 September 2021). The majority of Hemsö's leases include a provision for rent increases based on changes in the Swedish Consumer Price Index ("**CPI**") in addition to base rents (i.e. such leases are wholly or partially linked to inflation). Given that Hemsö's leases are usually signed with a duration of 10-20 years (the average remaining lease term was 9.8 years as at 30 September 2022) and there is a low vacancy rate amongst Hemsö's properties, combined with the fact that Hemsö's tenants have high credit ratings, this has ensured historically high and stable rental income and minimal bad debt losses.

## Economic occupancy rate, %




## Rental duration




*Project development*

Hemsö engages in project development by working closely with the Swedish Government, county councils and municipalities in order to identify and seize project development opportunities at an early stage. Many Swedish municipalities have an ageing property portfolio, with the consequence that there is a need for new properties and refurbishment of existing properties.

In order to meet the on-going needs of tenants and ensure that the property portfolio is well maintained and retains its value over time, Hemsö regularly refurbishes and builds extensions to its existing portfolio.

Hemsö has an in-house project development organisation in each Swedish region responsible for project development. Hemsö also maintains relationships with municipalities and county councils in order to identify new project opportunities at an early stage. Project development takes place in-house or together with partner

companies. Project risks are minimised by the fact that Hemsö will only commence a project once leases are largely secured for it. The projects are often carried out pursuant to fixed price agreements to ensure greater cost control, or with target price an incentives depending on how difficult the projects are. In addition, to the extent required, project development in Germany and Finland is handled locally.

Set out below are four of Hemsö's on-going projects as at 30 September 2022:

**Vänersborg District court**



Type of project: New build development
Location: Vänersborg
Project space: 6,850 $m^2$
Description of project: Hemsö is constructing the new district court in Vänersborg with eleven courtrooms of which two are security courtrooms with high security control. Domstolsverket has signed 15-year leases.
Scheduled project completion date: 2026

**Uppsala Kronåsen**



Type of project: Refurbishment
Location: Uppsala
Project space: 28,300 $m^2$
Description of project: Hemsö is renovating, refurbishing and converting this building for school activities.
Scheduled project completion date: 2024

**Gothenburg Capella**



Type of project: New build development
Location: Lindholmen, in Gothenburg
Project space: 11,500 $m^2$
Description of project: Hemsö is constructing premises for health care, school and nursing homes.
Scheduled project completion date: 2024

**Nacka Stavsborgsskolan**



Type of project: New build development
Location: Nacka, in greater Stockholm
Project space: 13,900 m2
Description of project: Hemsö is constructing a new school for 1,200 pupils. The municipality has signed a 25-year lease.
Scheduled project completion date: 2023

*Transaction activities*

As a consequence of a growing and ageing population, there is strong demand for properties for public use in Sweden. The Swedish rental and transaction market for properties for public use is mature and the concept of properties for public use being privately owned is well-established. Hemsö is acknowledged in the property market and has established good relations with the Swedish Government, municipalities, county councils as well as private operators.

Municipalities have overall responsibility to provide certain public services, including care for the elderly and education for the young. As many of Hemsö's properties are tailored to the provision of such services, default by a tenant that is a private operator in respect of these is likely to lead to the relevant municipality taking over such private operator's obligations under the relevant lease.

Hemsö has its own transaction management team which supervises acquisitions and divestments and involves the local management teams as required. Transactions concerning properties for public use involve processes to secure political support and entail a complicated regulatory regime, which may result in relatively lengthy processes. Agreements concerning acquisitions and divestments are often of a standardised nature and usually contain customary warranties.

The Finnish market for properties for public use is relatively immature compared to the Swedish market and there is a lower number of such properties in comparison with Sweden. Germany, on the other hand, has a very large property market for nursing homes owned by a large number of smaller property owners. The German market for nursing home properties is thus relatively fragmented and characterised by high transaction costs. Hemsö has developed a high level of familiarity and experience in both the Finnish and the German markets, which is utilised in connection with acquisitions.

*Competition*

Competition in the transaction market for properties for public use has increased since Hemsö was first established where both larger institutions and newly established companies compete. Hemsö's long-term perspective, knowledge, geographical coverage and experience has given Hemsö advantages to be able to invest in high quality properties for the long-term or grow the portfolio through project development.

*Sustainability*

Sustainability is integrated into Hemsö's operations and is based on Hemsö's sustainability policy, which contains overall standpoints on how Hemsö's operations should be developed in relation to environmental, social and economic sustainability. Sustainability management is also governed by several other guidelines, procedures and instructions regarding, for example, occupational health and safety, choice of materials and waste. The objective is that sustainability will be fully integrated with business management and planning. Hemsö's focus in this respect entails the following:

- Social sustainability – conducting operations with respect for the health, rights and welfare of other people and, through Hemsö's operations, working towards a society and workplace based on these principles.

- Environmental sustainability – carrying out projects and operations that improve energy efficiency and reduce energy consumption; increasing the share of renewable energy and the number of environmentally certified buildings respectively.

- Economic sustainability – generating profitability and economic growth within the framework of social and environmental sustainability described above.

Hemsö's targets with respect to sustainability include, amongst other things, the following:

- property portfolio (like-for-like portfolio) to be 3 per cent. more energy efficient each year;

- all new buildings will be environmentally certified as Silver standard or higher according to Miljöbyggnad[4] or similar level or higher from a comparable certification system (LEED[5], BREEAM,[6] DGNB[7] or Svanen[8]);

- environmental certification for at least 50% of portfolio in 2025 including In-Use certification;

- 100 per cent. fossil-fuel free energy usage and net-zero carbon dioxide emissions generated from the property portfolio by 2035 at the latest;

- survey climate related risks on Hemsö's properties and undertake necessary measures to avoid negative consequences of these risks;

- reduce the total climate influence that occurs for new development and major renovations;

- promote the development of climate smart and sustainable buildings by investing in new technological solutions and innovations in both new developments and existing property portfolio; and

- be climate neutral with regards to business travels.

[4] Swedish environmental certification system used for residential and commercial buildings. The rating scale is from Gold to Bronze.

[5] Leadership in Energy and Environmental Design - an internationally recognised green building certification system.

[6] BREEAM - sustainability assessment method for projects, infrastructure and buildings.

[7] German Sustainable Building Council - sustainable buildings certification system.

[8] The Nordic Swan Ecolabel is the Nordics' official ecolabel and works on behalf of the Swedish government for sustainable production and consumption.

# Sustainability a Key Part of Hemsö's Strategy




**Financing and capital structure**

The overall objective of Hemsö's financial risk management is to maintain a stable capital structure and to optimise the financial position within the given risk framework set under its financial policy described below. Hemsö is financed with both shareholders' equity and external debt financing. Hemsö's external borrowing includes both bank facilities and capital markets funding. As at 30 September 2022, interest bearing liabilities amounted to SEK 48,792 million (compared to SEK 43,067 million as at 30 September 2021) and comprises bank loans and unsecured bonds and commercial paper. Shareholders' equity amounted to SEK 31,449 million (compared to SEK 25,646 million as at 30 September 2021), with an equity ratio of 35 per cent. (compared to 33 per cent. as at 30 September 2021). In 2015, Hemsö received a credit rating from S&P. The current rating is 'A-' with stable outlook. In April 2020, Hemsö received a credit rating from Fitch. The current rating is 'A+' with stable outlook.

Responsibility for Hemsö's financial transactions and risks is managed centrally by its treasury department based in Stockholm. The department is tasked with managing existing debt, supplying new borrowing for acquisitions and investments, ensuring efficient liquidity management, and limiting financial risks. The work is governed by the financial policy adopted each year by the Board of Directors. The financial policy governs the allocation of responsibilities and risk mandates and establishes principles regarding reporting, follow-up and control. Strategic finance matters are decided by Hemsö's Board of Directors.

The following table sets out the key requirements contained within the financial policy and Hemsö's performance in respect of each as at 30 September 2022.

**Summary of Financial Policy**

| **Financing risk** | **Policy** | **Outcome** |
|---|---|---|
| Loan-to-value ratio | Max. 60% | 54.8% |
| Loan maturity | At least 3 years | 6.5 years |
| Debt-coverage ratio | At least 125% | 188% |
| Share of secured debt | Max. 20% | 0.0% |
| **Interest-rate risk** | | |
| Interest-coverage ratio | At least 3.0 times (rolling 12-month period) | 6.1 times |
| Fixed-rate period | Average fixed-rate period, 3-8 years | 5.7 years |
| Fixed-rate maturity | Max. 40% within 12 months | 29% |
| **Counterparty risk** | | |
| Financial instruments | Bank with a minimum credit rating of A- (S&P) | Fulfilled |
| **Currency risk** | | |
| Currency exposure | Max. 20 % of the Group's equity | 1.8% |

The following table sets out Hemsö's sources of interest bearing liabilities as at 30 September 2022.

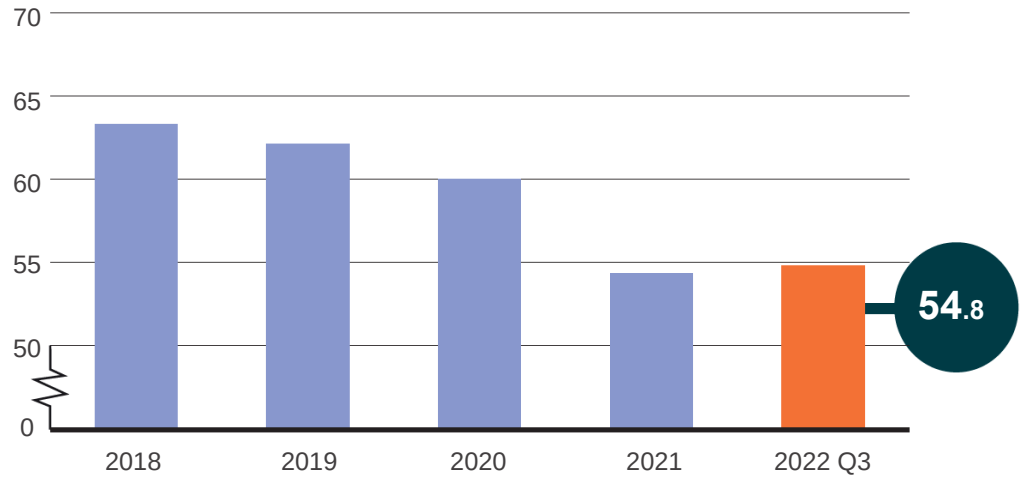
| | Q3 2022 | Q3 2021 |
|---|---|---|
| | (*SEK million*) | |
| Bonds, SEK | 15,135 | 13,107 |
| Bonds, EUR | 19,034 | 17,467 |
| Bonds, NOK | 2,044 | 1,461 |
| Bonds, AUD | 361 | 317 |
| Bonds, USD | 1,335 | 1,055 |
| Bonds, JPY | 771 | - |
| **Total bonds** | 38,680 | 33,407 |
| *Of which sustainability bonds* | 7,660 | 3,711 |
| Commercial papers | 4,432 | 5,213 |
| European Investment Bank | 4,061 | 2,882 |
| Nordic Investment Bank | 800 | 800 |
| Schuldschein | 819 | 765 |
| Secured loans | - | - |
| **Interest-bearing debt** | 48,792 | 43,067 |
| *Of which sustainable finance* | 12,520 | 7,393 |

The following table sets out the complete debt maturity profile of and fixed interest periods of Hemsö's outstanding loans, bonds and commercial paper as at 30 September 2022.

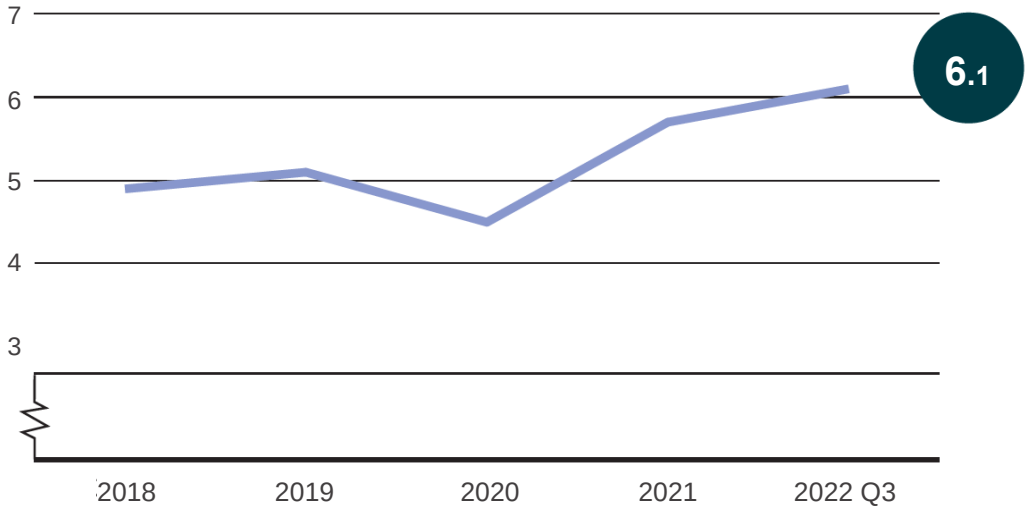
| | Loan maturity | | | Fixed-rate period | |
|---|---|---|---|---|---|
| **Year** | **Credit agreement, SEK million** | **Drawn, SEK million** | **Share, %** | **SEK million** | **Share, %** |
| 2022 | 700 | 700 | 1 | 11,653 | 24 |
| 2023 | 3,501 | 3,501 | 7 | 2,895 | 6 |
| 2024 | 16,004 | 4,504 | 9 | 1,583 | 3 |
| 2025 | 3,900 | 2,900 | 6 | 1,550 | 3 |
| 2026 | 7,806 | 6,806 | 14 | 6,006 | 12 |
| 2027 | 2,164 | 2,164 | 4 | 1,664 | 3 |
| 2028 | 5,525 | 5,525 | 11 | 5,425 | 11 |
| 2029 | 4,430 | 4,430 | 9 | 4,430 | 9 |
| 2030 | 2,277 | 2,277 | 5 | 2,277 | 5 |
| >2030 | 11,552 | 11,552 | 24 | 11,309 | 23 |
| **Total** | **57,859** | **44,359** | **91** | **48,792** | **100** |
| Commercial papers | | 4,432 | 9 | | |
| **Total** | | **48,792** | **100** | | |

The following two graphs set out Hemsö's loan-to-value ratio and interest coverage ratio as at 31 December for each of the years between 2018 and 2021 and the nine months ended 30 September 2022.

## Loan-to value ratio, %




## Interest-coverage ratio, times (rolling 12-month period)




**Overview of market**

The markets for public properties are growing in all three countries where Hemsö is conducting business. Demand for community services, and therefore demand for properties for public use, is expected to increase as a consequence of the demographic trends of an ageing and increasing population generally. In Sweden, Germany and Finland, the standard and quality of properties for public use are high and are subject to detailed design and usage requirements.

In Sweden the market for public properties has generally increased in recent years following divestments by the Swedish Government, city councils and municipalities. Despite the fact that competition in the category has increased and the number of companies focusing on properties for public use is steadily increasing, most of the [illegible]erties for public use are still owned by Sweden's 290 municipalities and county councils, although the trend of property divestment by the public sector continues. Hemsö is an independent company and transacts with all entities, including those in the public sector, on an arm's length basis. Within community services, private sector

alternatives are steadily increasing, with the consequence that the construction of new properties for private sector alternatives is increasingly being carried out by parties other than the Government, municipalities or county councils. It is thus likely that Sweden's stock of privately-owned properties for public use will continue to grow in the long term. In addition, there is a substantial need for further development of school premises and nursing homes in Sweden, a strong trend towards urbanisation and a growing appetite for the provision of public funding to finance the business/activities of Hemsö's tenants.

Properties for public use in Finland are also largely owned by the Government and municipalities. The privatisation of community services such as nursing homes, education and health care is less extensive. Going forward, Hemsö intends to continue to focus on supporting the public sector by providing new social infrastructure and will continue to benefit from the fact that it is one of the first private owners of properties for public use.

In Germany where Hemsö mainly owns nursing homes, care for the elderly takes place on a competitive basis. General and public nursing home insurance schemes were introduced in the mid-1990s. The insurance schemes are financed through a special payroll tax and managed by private insurance funds. When the insurance policy matures, the individual citizen can choose to receive care at home or move to a nursing home. Nursing homes are operated and owned by a range of providers, including private companies on a for-profit basis, charitable organisations, foundations and trade unions.

Between January and September 2022, a total of 26 properties were acquired for SEK 1.9 billion. In Sweden, properties were acquired for SEK 1.2 billion, in Germany for SEK 0.7 billion and in Finland for SEK 36 million. Acquisitions have occurred in all Hemsö´s property categories which is in line with Hemsö´s strategy on quality and geographical concentration to regions with demographic growth. Hemsö will continue to develop its portfolio through acquisitions and project development.

**Property portfolio**

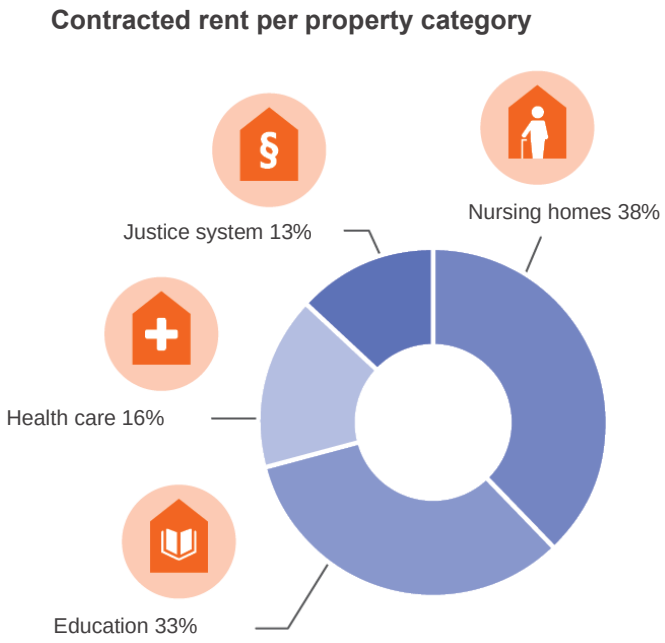
On 30 September 2022, Hemsö's total property value amounted to SEK 85.0 billion (compared to SEK 73.5 billion as at 30 September 2021) and comprised 468 properties (compared to 426 as at 30 September 2021), of which the lettable area was 2,339,000 $m^2$ (compared to 2,226,000 $m^2$ as at 30 September 2021). During the most recent five-year period, the value of Hemsö's portfolio has increased in total by 132 per cent., representing average annual growth of 18 per cent. Hemsö's current portfolio has developed through acquisitions and project development and has been streamlined through the divestment of non-strategic properties. Growth has taken place with maintained profitability and a balanced approach to financial risk.

Hemsö's property portfolio is divided into the following property categories: nursing homes, education, healthcare and justice system. The properties are located in Sweden, Germany and Finland. As at 30 September 2022, Hemsö owned 308 properties (compared to 282 as at 30 September 2021) in Sweden, 86 (compared to 80 as at 30 September 2021) in Germany and 74 (compared to 64 as at 30 September 2021) in Finland. As at 30 September 2022, the market value of Hemsö's property portfolio was SEK 85.0 billion (compared to SEK 73.5 billion as at 30 September 2021), which corresponds to SEK 36,342 per $m^2$ (compared to SEK 33,032 per $m^2$ as at 30 September 2021). This valuation is determined as an individual assessment of market value for each property, each quarter. The valuation method is based on a cash flow analysis which, in turn, is based on each property's budgeted net operating income. Market values are determined using both externally obtained valuations and Hemsö's internal calculation model. All properties are valued externally at least once a year. The valuation report for the year ended 31 December 2021 was delivered by Savills plc (in relation to the Swedish portfolio), JLL (in relation to the Finnish portfolio), and CBRE (in relation to the German portfolio). In recent years, Hemsö has created more efficient management units and continued its expansion in Finland and Germany.

In Sweden and Finland, Hemsö owns properties in each of the categories of nursing homes, education, healthcare and justice system.

The property portfolio in Germany consists of three categories: nursing homes, education and justice system. Hemsö's portfolios are concentrated in towns and cities in which there is deemed to be strong long-term demand for properties for public use.

The following charts show the distribution of the portfolio by contracted rent per property category:




**Key data per property category and region, as at 31 December 2021**

| | Market value of properties, SEK million | No. of properties | Rental value, SEK million | Occupancy rate, % | Lettable area, sqm | Long-term valuation yield , % | Long-term valuation yield, average, % |
|---|---|---|---|---|---|---|---|
| Nursing homes | 4,165 | 19 | 176 | 92.9 | 105 | 3.5 - 5.5 | 3.8 |
| Education | 6,847 | 41 | 273 | 98.8 | 141 | 3.5 - 6.3 | 3.9 |
| Health care | 7,784 | 17 | 371 | 95.0 | 137 | 3.5 – 7.3 | 4.0 |
| Justice system | 2,127 | 2 | 111 | 96.1 | 43 | 4.0 – 4.7 | 4.5 |
| **Sweden East** | **20,924** | **79** | **931** | **95.8** | **426** | **3.5 – 7.3** | **4.0** |
| | | | | | | | |
| Nursing homes | 2,558 | 30 | 148 | 98.7 | 85 | 3.6 – 6.0 | 3.7 |
| Education | 3,926 | 29 | 163 | 98.2 | 129 | 3.5 – 7.1 | 4.4 |
| Health care | 1,747 | 26 | 114 | 96.1 | 83 | 4.4 - 8.3 | 5.4 |
| Justice system | 775 | 4 | 51 | 97.8 | 33 | 4.7 - 5.3 | 4.8 |
| **Sweden West** | **9,006** | **89** | **476** | **97.8** | **330** | **3.5 - 8.3** | **4.5** |
| | | | | | | | |
| Nursing homes | 5,711 | 41 | 271 | 100.0 | 203 | 3.6 - 5.5 | 4.1 |
| Education | 4,951 | 17 | 218 | 100.0 | 139 | 4.2 - 8.0 | 4.3 |
| Health care | 194 | 3 | 14 | 97.3 | 9 | 5.0 – 5.8 | 5.3 |
| Justice system | 1,518 | 3 | 104 | 100.0 | 38 | 3.9 - 5.0 | 4.2 |
| **Sweden Central/North** | **12,374** | **64** | **606** | **99.9** | **390** | **3.6 - 8.0** | **4.2** |
| | | | | | | | |
| Nursing homes | 3,024 | 26 | 150 | 95.6 | 102 | 3.7 - 6.3 | 4.2 |
| Education | 4,654 | 28 | 190 | 96.7 | 131 | 4.0 - 7.5 | 4.2 |
| Health care | 164 | 4 | 8 | 91.1 | 10 | 4.9 - 5.9 | 3.4 |
| Justice system | 363 | 4 | 20 | 99.2 | 12 | 4.3 - 5.3 | 4.4 |
| **Sweden South** | **8,205** | **62** | **368** | **96.3** | **255** | **3.7 - 7.5** | **4.2** |
| | | | | | | | |
| Nursing homes | 9,915 | 72 | 446 | 100.0 | 356 | 3.4 - 5.2 | 4.2 |
| Education | 1,840 | 4 | 77 | 100.0 | 38 | 4.3 - 5.0 | 4.3 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Justice system | 987 | 5 | 57 | 100.0 | 34 | 2.9 - 5.6 | 3.5 |
| **Germany** | **12,742** | **81** | **581** | **100.0** | **429** | **2.9 - 5.6** | **4.1** |
| | | | | | | | |
| Nursing homes | 3,607 | 35 | 206 | 99.6 | 114 | 4.3 - 10.0 | 5.0 |
| Education | 4,482 | 17 | 204 | 99.6 | 140 | 3.83 - 6.0 | 4.6 |
| Health care | 1,612 | 7 | 123 | 100.0 | 69 | 5.3 - 6.3 | 5.6 |
| Justice system | 2,785 | 7 | 144 | 91,6 | 66 | 4.8 - 6.8 | 4.9 |
| **Finland** | **12,486** | **66** | **678** | **97.9** | **389** | **3.8 - 10.0** | **4.9** |
| | | | | | | | |
| Nursing homes | 28,980 | 223 | 1,397 | 98.4 | 965 | 3.4 - 6.3 | 4.2 |
| Education | 26,701 | 136 | 1,125 | 98.8 | 718 | 3.5 - 7.5 | 4.3 |
| Health care | 11,502 | 57 | 631 | 96.1 | 308 | 3.5 - 5.9 | 4.4 |
| Justice system | 8,555 | 25 | 488 | 96.2 | 226 | 2.9 - 5.3 | 4.5 |
| **Total** | **75,737** | **441** | **3,640** | **97.9** | **2,218** | **2.9 - 10.0** | **4.3** |

**Tenants and lease structure**

The rental market for properties for public use is characterised by long leases, credit worthy tenants, low volatility as regards rent levels and limited risk of vacancy. Hemsö has a large number of leases, on average with long term maturities. The tenants are primarily comprised of the Swedish State, county councils, municipalities and private operators, including a couple of large, listed companies, who conduct publicly funded activities. The total rental value of the property portfolio on 30 September 2022 was SEK 4,222 million (compared to SEK 3,725 million as at 30 September 2021), of which the assessed rental value of vacant premises amounted to SEK 92 million (compared to SEK 76 million as at 30 September 2021).

The following table sets out Hemsö's 20 largest tenants as at 30 September 2022.

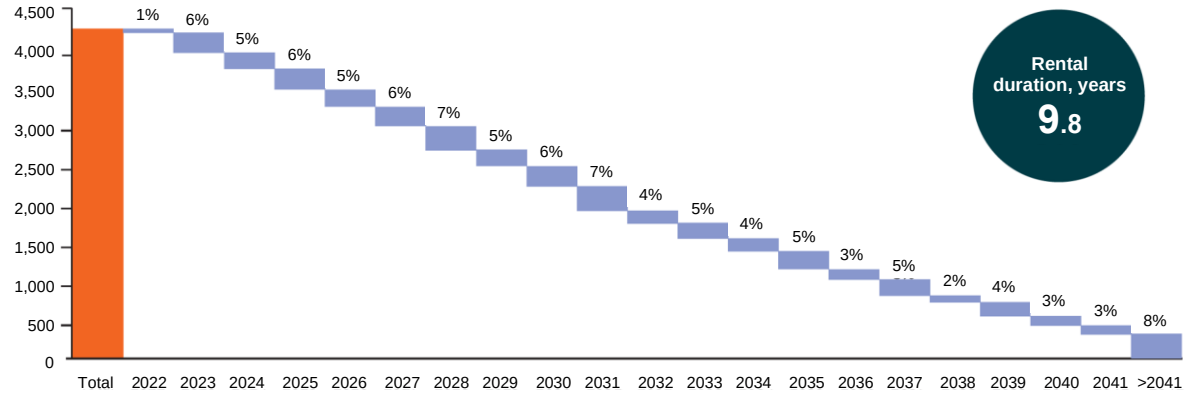
| Tenant | Category | Contracted annual. Rent, SEK million | Percentage of contracted annual rent, % | No. of lease agreements |
|---|---|---|---|---|
| The Swedish Police Authority | State | 224 | 5.4 | 33 |
| Region Stockholm | Region | 201 | 4.8 | 76 |
| Academedia | Private | 166 | 4.0 | 22 |
| City of Turku (Fin) | Municipality | 164 | 3.9 | 13 |
| Attendo | Private | 139 | 3.3 | 75 |
| Ministry of Justice (Fin) | State | 127 | 3.0 | 13 |
| AWO Hessen Süd (Ger) | Nonprofit | 110 | 2.6 | 12 |
| City of Västerås | Municipality | 108 | 2.6 | 21 |
| Mälardalen University | State | 105 | 2.5 | 3 |
| Internationella Engelska skolan | Private | 82 | 2.0 | 11 |
| Alloheim (Ger) | Private | 80 | 1.9 | 10 |
| Ambea | Private | 77 | 1.8 | 10 |
| Norrköping Municipality | Municipality | 74 | 1.8 | 15 |
| City of Lahti (Fin) | Municipality | 65 | 1.5 | 5 |
| Karolinska Institute | State | 64 | 1.5 | 4 |
| HEWAG (Ger) | Private | 64 | 1.5 | 9 |
| North Rhine-Westphalia (Ger) | State | 60 | 1.4 | 1 |
| Västra Götaland Region | Region | 59 | 1.4 | 63 |
| Gävle Municipality | Municipality | 53 | 1.3 | 20 |
| Mehiläinen (Fin) | Private | 52 | 1.2 | 9 |
| **Total** | | **2,074** | **49.6** | **425** |

Public-sector Private-sector (Fin) = Finland (Ger) = Germany

As at 30 September 2022, the economic occupancy rate was 97.9 per cent. (compared to 98.0 per cent. as at 30 September 2021). As at 30 September 2022, the average remaining lease term was 9.8 years (compared to 9.6 years as at 30 September 2021). As at 30 September 2022, Hemsö had approximately 2,600 leases allocated (compared to approximately 2,600 leases as at 30 September 2021), where 425 leases (compared to 435 leases as at 30 September 2021) were held by the 20 largest tenants. As at 30 September 2022, the 20 largest tenants accounted for 49.6 per cent. (compared to 50.9 per cent. as at 30 September 2021) of Hemsö's total lease value. Revenues from public sector tenants, i.e. the State, municipalities and county councils, accounted for 61 per cent. (compared to 63 per cent. as at 30 September 2021) of Hemsö's total lease value.

The following graph show the rental maturity, annual rent SEK million

**Rental maturity, annual rent, SEK million**




According to the assessment of management, the majority of Hemsö's rental income contain provisions for the increase of rent in line with increases in CPI inflation. The long leases, combined with tenants with assured payment capability and a low vacancy rate, contribute to stable rental income and minimal bad debt losses.

**Employees**

As at 30 September 2022, Hemsö had a total of 159 full-time employees (compared to 156 as at 30 September 2021). In addition to certain joint group functions, Hemsö's operational structure comprises management organisations in Sweden, Finland and Germany. Hemsö's management team comprises nine individuals (compared to ten as at 30 September 2021), including all country managers, CEO and CFO, as well as heads of the following joint group functions: Project Development, HR, Legal, Transactions, Communications and Asset Management. Hemsö's management team has overall responsibility for, among other things: strategic issues; business development; investments and divestments; results monitoring; personnel; and Investor Relations issues. For further information regarding group management, see "*Board of Directors and Senior Management*" below.

## DESCRIPTION OF HEMSÖ TREASURY OYJ

### Overview

Hemsö Treasury Oyj ("**Hemsö Treasury**") is a wholly-owned subsidiary of Hemsö Fastighets AB. Hemsö Treasury is incorporated under the laws of the Republic of Finland with business identity code 3166158-1. Hemsö Treasury was incorporated pursuant to an agreement of incorporation dated 2 October 2020 and was established upon registration with the Finnish Trade Register on 3 November 2020 under the Finnish Limited Liability Companies Act (624/2006, as amended) as a public limited liability company. Hemsö Treasury's registered address is c/o Newsec Asset Management Oy, PL 52, FI-00101 Helsinki, Finland.

All transactions between Hemsö Fastighets AB and Hemsö Treasury are carried out on an arm's length basis.

### Business of Hemsö Treasury

According to its articles of association, the scope of business of Hemsö Treasury is to directly and indirectly, through wholly or partly owned companies, acquire, invest in, develop, sell and rent real estate, real estate companies, limited liability housing companies and related assets. Hemsö Treasury may engage in the financing of direct and indirect real estate investments. Hemsö Treasury may also engage in financing activities of group companies through borrowing and lending and the granting of guarantees and collateral on behalf of group companies' obligations. In addition, the company may issue bonds and receive financing.

### Board of Directors

As at the date of this Base Prospectus, the members of the Board of Directors of Hemsö Treasury are as follows:

| Name | Position |
|---|---|
| Nils Styf | Member |
| Rutger Källén | Deputy member |

The business address of each member of the Board of Directors is c/o Newsec Asset Management Oy, PL 52, FI-00101 Helsinki, Finland.

None of the members of the Board of Directors has any activities outside the Group which are significant with respect to the Group.

There are no potential conflicts of interest between the duties to Hemsö Treasury of any of the members of the Board of Directors and their private interests and/or other duties.

### Auditors

Ernst & Young Oy was appointed as independent auditor of Hemsö Treasury and Antti Suominen, an authorised auditor, was appointed as the auditor in charge for the initial accounting period of Hemsö Treasury which commenced on 2 October 2020 (being its date of incorporation) and ended on 31 December 2021.

KPMG Oy Ab was appointed as independent auditor of Hemsö Treasury at the annual general meeting held on 28 April 2022 and Marcus Tötterman, an authorised auditor, has been appointed as the auditor in charge.

### Share Capital

As at the date of this Base Prospectus, the authorised share capital of Hemsö Treasury is EUR 80,000 divided into 100 ordinary shares. The shares have no nominal value. Hemsö Treasury's issued and fully paid up share capital is EUR 80,000 as at the date of this Base Prospectus.

### Financial Information

Hemsö Treasury's annual financial year-end date is 31 December and its first financial year-end date was 31 December 2021.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

According to Hemsö's articles of association, the Board of Directors shall consist of three to eight members elected by the shareholders at a general meeting. The Board of Directors currently consists of six members (elected by the 2022 annual general meeting held on 28 April 2022 for the period until the 2023 annual general meeting.).

The current members of Hemsö's Board of Directors are as follows:

| Name | Position | Principal activities outside Hemsö |
|---|---|---|
| Pär Nuder | Chairman | Chairman of Aimo Holding AB; and<br><br>Board member of TPPG The Perimeter Production AB and Azelio AB; and<br><br>Senior Counsellor of Albright Stonebridge Group. |
| Johanna Skogestig | Member | CEO of Vasakronan AB. |
| Maria Björklund | Member | Head of alternative investments at AP3; and<br><br>Board member of Polhem Infra AB, 4to1 Investments AB, Fastighets AB Regio, Hemsö Intressenter AB and Trophi Fastighets AB. |
| Kerstin Hessius | Member | CEO of AP3[9]; and<br><br>Board member of Svenska Handelsbanken AB. |
| David Mindus | Member | CEO and Board member of AB Sagax;<br><br>Chairman of Hemsö Intressenter AB; and<br><br>Board member of Söderport Holding AB, Torslanda Property Investment AB and Mindustri AB. |
| Johan Thorell | Member | CEO and Board member of Gryningskust Holding AB;<br><br>Chairman of Kallebäck Property Invest AB; and<br><br>Board member of AB Sagax, Tagehus Holding AB, K2A Knaust & Andersson Fastigheter AB, Storskogen Group AB and Nicoccino Holding AB. |

The business address of each Director is Hemsö Fastighets AB, Linnégatan 2, Box 24 281, 104 51 Stockholm, Sweden.

[9] Kerstin Hessius will step down from her role as CEO of AP3 on 31 December 2022.

The current members of Hemsö`s senior management are as follows:

| Name | Position | Principal activities outside Hemsö |
|---|---|---|
| Nils Styf | CEO | Chairman of the Board of NP3 Fastigheter AB and Lanthem Samhällsfastigheter AB and Board member of Mattssons Fastighetsutveckling AB, Bonava AB and Cibus Nordic Real Estate AB |
| Rutger Källén | CFO, deputy CEO | Turku Technology Properties Oy |
| Mats Wilborg | General Counsel | None |
| Kristina Rosqvist | Head of Eastern Region, Sweden | Board member of Rosqvist&partner AB |
| Anna Marand | Head of Project Development | Board member of Fastighets AB Regio and OJM Sport&Media AB |
| Jens Nagel | Country Manager, Germany | None |
| Jarkko Leinonen | Country Manager, Finland | Turku Technology Properties Oy |
| Åsa Thoft | Head of Communications | None |
| Staffan Arwidi | Head of Transactions | Board member of Lanthem Samhällsfastigheter AB |

No member of the Board of Directors or senior management has any private interests or other duties that might conflict with Hemsö's interests.

**Insurance**

Hemsö's management believes that its property risks are appropriately covered by insurance which is in accordance with industry practice. Hemsö has insurance policies, for example, in respect of property, business interruption and liability for damages.

# TAXATION

The tax laws of the investor's state and of the Issuers' state of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

## The Kingdom of Sweden

*The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes. The summary is based on the laws of Sweden as in effect as of the date of this Base Prospectus and is intended to provide general information only. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies, not described below. In addition, the summary does not address Notes that are held on an "investment savings account" (investeringssparkonto) that are subject to a specific tax regime. Investors should consult their professional tax advisers regarding the Swedish and foreign tax consequences (including the applicability and effect of taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances.*

### *Non-resident holders of Notes*

As used herein, a non-resident holder means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes, or (b) an entity not organized under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Notes should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Notes.

Under Swedish tax law, a capital gain on a sale of Notes by a non-resident holder will not be subject to Swedish income tax unless the non-resident holder of Notes carries on business activities in Sweden through a permanent establishment to which the Notes are attributable.

Private individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. This liability may, however, be limited by tax treaties between Sweden and other countries.

### *Resident holders of Notes*

As used herein, a resident holder means a holder of Notes who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organized under the laws of Sweden.

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) that are resident holders of any Notes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable.

Amortization of principal is not otherwise subject to Swedish income tax. Swedish tax law does not impose withholding tax on payments of principal or interest to a resident holder of notes. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased person) that is a resident holder of Notes, Swedish preliminary tax (*preliminärskatt*) is normally withheld on such payments at a rate of 30 per cent.

***Finnish taxation***

*The following summary is based on the tax laws of Finland as in effect on the date of this Base Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following summary does not purport to be a comprehensive description of all Finnish tax law considerations that could be relevant for holders of the Notes and does not take into account or discuss the tax laws of any country other than Finland. This summary addresses neither Finnish gift nor inheritance tax consequences. Prospective investors are advised to consult their own professional tax advisers as to the tax consequences relating to investments in the Notes.*

*Withholding Tax*

All payments made by Hemsö Fastighets AB under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied withheld or assessed by Finland.

All payments made by Hemsö Treasury Oyj under the Notes to other than Finnish resident individuals may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied withheld or assessed by Finland.

*Finnish Resident Individuals*

A tax at source, in accordance with the Act on Tax at Source of Interest Income (1341/1990, as amended), has to be withheld from the interest paid to a Finnish resident individual or an undistributed estate of deceased Finnish resident, unless otherwise indicated below. The tax at source is currently 30 per cent of the amount of interest paid.

However, the Finnish Act on Source Tax on Interest Income is not applicable, inter alia, if a prospectus does not have to be prepared with respect to the Notes due to (i) the Notes being provided to qualified investors only, (ii) the offer being addressed in each country belonging to the EEA to a maximum number of under 150 investors who are not qualified investors, or (iii) the Notes not being offered for a consideration of less than EUR 100,000 per investor and for each separate offer or in denomination of less than EUR 100,000 per unit. In this case the Finnish tax rules are as follows: If the recipient of interest paid on the Notes is a Finnish resident individual or an undistributed estate of a deceased Finnish resident, such interest is subject to advance withholding tax in accordance with the Finnish Withholding Tax Act (20.12.1996/1118, as amended) and final taxation as capital income in accordance with the Finnish Income Tax Act (30.12.1992/1535, as amended) (the Finnish Income Tax Act). The current withholding tax rate is 30 per cent. The advance tax withheld by the company is credited against the final tax payable by the recipient of interest paid on the Notes. The final capital income tax rate is 30 per cent up to EUR 30,000 and 34 per cent of the annual capital income exceeding EUR 30,000.

If the Notes are disposed of during the loan period, any capital gain received is taxed as capital income at a flat rate of 30 per cent up to EUR 30,000 and 34 per cent of the annual capital income exceeding EUR 30,000. Capital losses are deducted in the first place from capital gains incurred during the loss year. If the losses cannot be deducted from capital gains, they can be deducted from other capital income incurred during the loss year. The losses that cannot be deducted from capital gains nor other capital income incurred during the loss year will be used as the basis for confirming the capital losses for that tax year, and those confirmed losses would be deductible from capital gains and other capital income for the next five years. Capital gains are tax-free if the total transfer prices of all assets transferred during the tax year do not exceed EUR 1,000. Correspondingly, capital loss is non-deductible if the total acquisition costs of all assets transferred during the tax year do not exceed EUR 1,000 and the total transfer prices of all assets transferred during the tax year do not exceed EUR 1,000.

Eventual interests, capital gains or losses shall be reported in the annual tax return.

*Finnish Resident Corporations*

If the recipient of interest paid on the Notes is a corporation residing in Finland as further defined in the Finnish Income Tax Act, such interest is not subject to any preliminary withholding. The interest is subject to final taxation

of the recipient in accordance with the Finnish Business Income Tax Act (24.6.1968/360, as amended). The current rate of corporate income tax is 20 per cent.

Capital gains are currently taxed at a flat rate of 20 per cent. Generally, a capital loss is deductible from the resident corporations' income arising in the same year and during the following ten fiscal years.

*Eventual interests, capital gains or losses shall be reported in the annual tax return.*

*Non-Residents*

Non-residents are not subject to taxation in Finland under the Notes.

The interest paid to an individual or a corporation not residing in Finland may be subject to tax regulations in their state of residence.

*Transfer Tax*

Generally, the transfer tax amounting 1.6 per cent is payable on transfers or sales of the securities. However, the Notes are not classified as securities within the meaning of the Finnish Transfer Tax Act (29.11.1996/931, as amended) and, thus, transfer tax is not payable, provided that the yield of the Note is not determined by the profit of the Issuer or by the amount of dividend or otherwise entitles to the share of annual profit or surplus of the Issuer.

No transfer tax is payable in Finland on transfers or sales of the securities admitted to trading on the regulated market or other multi-lateral trading facility.

**The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary' market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

**The Foreign Account Tax Compliance Act ("FATCA")**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined in FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. Each Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Kingdom of Sweden and the Republic of Finland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with

respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the relevant Issuer to any one or more of Barclays Bank Ireland PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank Aktiengesellschaft, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) and any additional dealers that may accede to the programme from time to time (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the relevant Issuer to, and subscribed by, Dealers are set out in an amended and restated dealer agreement dated 8 November 2022 (the "**Dealer Agreement**") and made between the Issuers, the Guarantor, and the Dealers. The Dealer Agreement provides that the obligation of any Dealer to subscribe for Notes under any Relevant Agreement (as defined therein) is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under any such agreement prior to the issue of the relevant Notes. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer, the Guarantor (if applicable), and a single Dealer for that Tranche to be issued by the relevant Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer, the Guarantor (if applicable) and more than one Dealer for that Tranche to be issued by the relevant Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### *Selling Restrictions*

**United States of America**: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*.

The Notes and Guarantee of the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

**Prohibition of Sales to EEA Retail Investors**

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of the Insurance Distribution Directive (Directive (EU) 2016/97), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the European Economic Area, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (a) to (b) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded).

**United Kingdom**

***Prohibition of sales to UK Retail Investors***: Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

***Public offer selling restrictions under the UK Prospectus Regulation***: If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes does not include a legend entitled "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) *Other exempt offers*: at any time in any other circumstances falling within section 86 of the FSMA,

**provided that** no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

**Other UK regulatory restrictions**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuers;

(b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuers; and

(c) **General compliance**: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

**The Kingdom of Sweden**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes will be offered to the public in Sweden nor admitted to trading on a regulated market in Sweden unless and until (A) a prospectus in relation to those Notes has been approved by the competent authority in Sweden or, where appropriate, approved in another Relevant State and such competent authority has certified to the competent authority in Sweden that the prospectus has been approved with respect to the EU Prospectus Regulation; or (B) an exemption from the requirement to prepare a prospectus is available under the EU Prospectus Regulation.

**Belgium**

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

**Finland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not underwrite the issue of, or offer, sell advertise or otherwise market or place the Notes, in the Republic of Finland otherwise than in conformity with all applicable provisions of the laws of the Republic of Finland and especially in compliance with the EU Prospectus Regulation and the Finnish Securities Markets Act (in Finnish *arvopaperimarkkinalaki* 746/2012, as amended) as well as the regulations issued pursuant thereto and that the Notes will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances that would constitute an offer of the Notes to the public under the EU Prospectus Regulation and that any offers of the Notes in Finland will only be made in accordance with the restrictions and qualifications as set forth above in "*Prohibition of Sales to EEA Retail Investors*".

**Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of

Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase and it will not offer or sell any Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, and it has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

**General**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuers and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuers and the Guarantor.

## GENERAL INFORMATION

### Authorisation

1. The establishment and subsequent update of the Programme was authorised by a resolution of the Board of Directors of Hemsö Fastighets AB passed on 15 August 2016 and resolutions of the Board of Directors of Hemsö Treasury Oyj passed on 16 November 2020 and 4 November 2022. Each of the Issuers and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee of the Notes.

### Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuers or the Guarantor are aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Group.

### Significant/Material Change

3. There has been no significant change in the financial performance or position of Hemsö Fastighets AB and its subsidiaries since 30 September 2022. There has been no material adverse change in the prospects of Hemsö Fastighets AB and its subsidiaries since 31 December 2021.

4. There has been no significant change in the financial performance or position of Hemsö Treasury Oyj since 31 December 2021. There has been no material adverse change in the prospects of Hemsö Treasury Oyj since 31 December 2021.

### Auditors

5. The consolidated financial statements of Hemsö Fastighets AB have been audited without qualification for the years ended 31 December 2021 and 2020 by Ernst & Young AB, Hamngatan 26, SE-111 47 Stockholm, Sweden who are authorised and regulated by the Supervisory Board of Public Accountants – Revisorsinspektionen, who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included.

6. KPMG AB, Vasagatan 16, SE-111 20 Stockholm, Sweden who are authorised and regulated by the Supervisory Board of Public Accountants – Revisorsinspektionen were appointed as independent auditors of Hemsö Fastighets AB at the annual general meeting on 28 April 2022.

7. The consolidated financial statements of Hemsö Treasury Oyj have been audited without qualification for the period commencing 2 October 2020 (being its date of incorporation) and ended 31 December 2021 by Ernst & Young Oyj of Alvar Aallon katu 5 C, FI-00100, Helsinki, Finland who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included. The independent auditors of Hemsö Treasury Oyj have no material interest in Hemsö Treasury Oyj.

8. KPMG Oy Ab, who are authorised and regulated by the Finnish Patent and Registration Office, were appointed as independent auditors of Hemsö Treasury Oyj at the annual general meeting on 28 April 2022.

### Listing Agent

9. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers and the Guarantor in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the EU Prospectus Regulation.

### Documents on Display

10. Copies of the following documents (together with English translations thereof) are available for viewing on the website https://www.hemso.se/en/ for 12 months from the date of this Base Prospectus:

(a) the constitutive documents of the Issuers and the Guarantor (as may be updated from time to time);

(b) the Agency Agreement;

(c) the Deed of Covenant;

(d) the Deed of Guarantee;

(e) the Programme Manual (which contains the forms of the Notes in global and definitive form); and

(f) the Issuer-ICSDs Agreements.

**Material Contracts**

11. There are no contracts having been entered into by the Issuers or the Guarantor outside the ordinary course of any of the Issuers' or the Guarantor's or a member of the Group's businesses, which are, or may be, material and contain provisions under which the Issuers or the Guarantor or any member of the Group has an obligation or entitlement which is, or may be, material to the ability of the Issuers or the Guarantor to meet their obligations in respect of the Notes or the Guarantee of the Notes.

**Clearing of the Notes**

12. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number ("**ISIN**"), Financial Instrument Short Name (as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, "**FISN**") and Classification of Financial Instruments (as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, "**CFI**") code (as applicable) for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

**Conflicts of Interest**

13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuers, the Guarantor (as applicable) and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers, the Guarantor (as applicable) and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instrument of the Issuers, the Guarantor (as applicable) and their affiliates. Certain of the Dealers of their affiliates that have a lending relationship with the Issuers and the Guarantor (as applicable) routinely hedge their credit exposure to the Issuers, the Guarantor (as applicable) and their affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments

**Legal Entity Identifiers**

14. The Legal Entity Identifier ("**LEI**") code of Hemsö Fastighets AB is 549300VOTS5OZ82UTG69 and the LEI code of Hemsö Treasury Oyj is 743700D3NKZC0VKKPY05.

**Notes Having a Maturity of Less Than One Year**

15. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the relevant Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the relevant Issuer.

**Issue Price and Yield**

16. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

17. The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

**Issuer Website**

18. The website of the Issuers and the Guarantor is https://www.hemso.se/. Unless specifically incorporated into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

## REGISTERED OFFICES OF THE ISSUERS

**HEMSÖ FASTIGHETS AB**
Linnégatan 2
Box 24 281
104 51 Stockholm
Sweden

**HEMSÖ TREASURY OYJ**
c/o Newsec Asset Management Oy
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00101 Helsinki
Finland

## GUARANTOR

**HEMSÖ FASTIGHETS AB**
Linnégatan 2
Box 24 281
104 51 Stockholm
Sweden

**ARRANGER & DEALER**
**CITIGROUP GLOBAL MARKETS EUROPE AG**
Reuterweg 16
60323 Frankfurt am Main
Germany

## DEALERS

**BARCLAYS BANK IRELAND PLC**
One Molesworth Street
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D02RF29
Ireland

**BNP PARIBAS**
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75009 Paris
France

**CITIGROUP GLOBAL MARKETS LIMITED**
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United Kingdom

**DANSKE BANK A/S**
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DK-1092 Copenhagen K
Denmark

**DEUTSCHE BANK AKTIENGESELLSCHAFT**
Deutsche Bank Aktiengesellschaft
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Germany

**DNB BANK ASA, SWEDEN BRANCH**
Regeringsgatan 59
105 88 Stockholm
Sweden

**NORDEA BANK ABP**
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FI-00020 Nordea
Finland

**SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)**
Kungsträdgårdsgatan 8
106 40 Stockholm
Sweden

**SVENSKA HANDELSBANKEN AB (PUBL)**
Kungsträdgårdsgatan 2
SE-106 70 Stockholm
Sweden

**SWEDBANK AB (PUBL)**
SE – 105 34
Stockholm
Sweden

**FISCAL AGENT, TRANSFER AGENT AND PAYING AGENT**
**Citibank, N.A., London Branch**
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

**REGISTRAR**

**Citibank Europe plc**
1 North Wall Quay
Dublin 1
Ireland

## LEGAL ADVISERS

*To the Issuers and the Guarantor as to English law:*
**Allen & Overy LLP**
One Bishops Square
London E1 6AD
United Kingdom

*To the Issuers and the Guarantor as to Swedish law:*
**Mannheimer Swartling Advokatbyrå AB**
Norrlandsgatan 21
Box 1711
111 87 Stockholm
Sweden

*To the Issuers and the Guarantor as to Finnish law:*
**White & Case LLP**
Aleksanterinkatu 44
FI-00100 Helsinki
Finland

*To the Dealers as to English law:*
**Clifford Chance LLP**
10 Upper Bank Street
London E14 5JJ
United Kingdom

## AUDITORS

*Current auditors to Hemsö Fastighets AB*
**KPMG AB**
Vasagatan 16
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