CMS Wistrand

GUIDE: 10 LEGAL CHECKPOINTS FOR INVESTING IN DIGITAL INFRASTRUCTURE

Digital infrastructure in Sweden: global capital, local bottlenecks.

An investment in the billions can stall at a single grid connection



Data centres · Fibre networks · Power grid infrastructure · CMS Wistrand · October 2026

Five things to know

1. Sweden has become one of Europe's most attractive markets for digital infrastructure. Only Finland invests more in data centres relative to GDP.

2. Grid capacity determines where you can build. Sweden has power. The challenge is having sufficient grid capacity where you need it.

3. A project only becomes a reality once it can be financed. That places demands on your contracts much earlier than many expect.

4. Contracts negotiated abroad often fail to reflect Swedish practice and work environment responsibilities. The problems may only become apparent once construction begins.

5. One of the most costly mistakes is bringing in legal advisers too late. What can be assessed before the investment decision can become an uncertainty or a risk afterwards.

Who this guide is for

Are you considering an investment in digital infrastructure in Sweden, whether as an international investor or a Swedish operator? This guide takes you through the project lifecycle, from the investment decision to operation and exit, highlighting the stages where projects are most likely to lose time.

This guide is not a substitute for legal advice. **It helps you identify the right questions early, while there is still time to act.**



The market: the capital is coming. The question is where it fits.

Sweden has become one of Europe's most attractive markets for digital infrastructure. According to PwC, investment in data centres accounts for 1.72 per cent of Sweden's GDP. Only Finland ranks higher. Installed capacity stands at approximately 800 MW and has doubled since 2020.

The capital is there. What determines which projects go ahead is, among other things, access to grid capacity, land and the necessary permits.

Sources: PwC, Global Data Centre Outlook 2026–2050 (September 2026). Swedish Data Center Industry and Radar Group, Datacenter Impact Study (May 2026).

Global capital, local bottlenecks.

Investment decisions on data centres, fibre networks and power grids are often made at a global level. The capital is international, the structure often British or Luxembourgish, and the lenders European. But the facility is built in a Swedish municipality, where questions of grid capacity, permits, financing structure and building regulations are decided.

It is in the gap between the global deal and local conditions that projects risk losing both time and money. This guide helps you identify the risks before capital is committed.



"Both investors and lenders with no experience of the Swedish market often underestimate the number of issues that are specific to Sweden."

– Hendrik Kangasmuukko, Partner at CMS Wistrand

1

BEFORE THE INVESTMENT DECISION

Find out what the project requires in Sweden before capital is committed.

The investment decision is often made at a global level, based on calculations and experience from other markets. Grid capacity, environmental permits, financing structure and building regulations, however, are determined in Sweden and affect both the timeline and valuation. What can be assessed before the decision becomes an uncertainty or a risk afterwards.

Before you move on:

- Identify which permits and connections the project requires and assess the conditions for obtaining them in the specific project
- Develop a timeline based on Swedish lead times
- Test the investment case against Swedish conditions



"Companies have a great deal to gain from involving legal advisers at an early stage."

– Aaron Coster, Senior Associate at CMS Wistrand

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LAND AND CONTROL OF THE SITE

The characteristics of the land determine whether the site is suitable for the project, and the assessment is best carried out under exclusivity.

Detailed development plans, easements and existing connections determine what can be built. The assessment is costly, and if it is carried out in open competition with other bidders, there is a risk of paying for work that ultimately proves to be of no value to you if you are outbid. Exclusivity gives you the time and space to carry out the assessment and reduces the risk of rushed decisions for commercial reasons, but it does not guarantee that the site can be used as intended.

Before you move on:

- Enter into an exclusivity agreement with the seller
- Review the detailed development plan, easements and utility rights
- Clarify what can be changed and what is fixed



"Assessing the land is expensive. With an exclusivity agreement, you do it for your own benefit, not in competition with others."

– Charles Arbro, Partner at CMS Wistrand

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ACQUISITION AND INVESTMENT STRUCTURE

The structure is set early and is expensive to change later.

Capital often flows through a fund in the UK or Luxembourg, via holding companies, down to the Swedish company that owns the asset. The acquisition is often structured as a real estate M&A transaction, where the shares in the company are acquired rather than the property itself. Swedish company law restricts the ability to use the target company's assets as security, which sometimes surprises foreign buyers.

Before you move on:

- Establish the ownership structure all the way down to the Swedish company
- Map the restrictions on value transfers
- Adapt the due diligence process to the lender's requirements

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FINANCING AND SECURITY

A project can be financed once the revenues are secured and the contracts can be pledged.

Lenders often lend against the project's future cash flows. The contracts underpinning the revenue therefore need to be robust and bankable before the financing is negotiated. The Swedish market is relationship-based, while international lenders place greater demands on process and documentation.

Before you move on:

- Gather key contracts, revenue assumptions and project documentation for the lender's review
- Clarify the security package, including any consents required from the project counterparties
- Align the drawdown conditions with permits, grid connection and the construction timeline



"What determines whether a project is bankable is that its revenues are secured by contracts with creditworthy counterparties."

– Hendrik Kangasmuukko, Partner at CMS Wistrand

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GRID AND CAPACITY

Grid capacity determines where and when a project can be built in Sweden.

The challenge is to ensure sufficient grid capacity where the facility is to be built. Grid connection conditions vary considerably between regions, and the Nordic transmission system operators describe demand for connections that exceeds existing and planned grid capacity. The grid connection agreement therefore often determines the overall project timeline.

Before you move on:

- Apply for a grid connection
- Obtain confirmation from the grid operator on available capacity and timing
- Demonstrate the project's maturity and keep the grid operator informed of its progress
- Clarify utility rights and easements for the connection
- Review the connection agreement terms against the project timeline



"Grid law is our speciality, It is also why data centre companies come to us."

– Aaron Coster, Senior Associate at CMS Wistrand

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PERMITS AND ENVIRONMENT

The permitting process follows its own timeline.

Allow at least 12 months, and in some cases up to 24 months, from the application for an environmental permit to a final and legally binding decision. A detailed development plan can take between 18 and 42 months from an application for a planning decision to a final and legally binding decision. Environmental permitting, consultation and environmental impact assessments within the permitting process, as well as planning, consultation and review within the detailed development plan process, all take time. These timelines are rarely factored into the investment case, and appeals can extend the process further. Backup power and fuel storage may also require separate permits, depending on capacity, fuel type and volume.

Before you move on:

- Assess the permit requirements and the level of review
- Plan for the lead time, including an appeal scenario
- Plan the consultation with the municipality and the County Administrative Board, while allowing for consultation with individuals, the general public and interest groups



"Swedish authorities take time. Time is a critical factor in every infrastructure project."

– Hanna Trygg, Partner at CMS Wistrand

*A new environmental permitting authority takes over the tasks of the regional environmental permitting delegations from 1 July 2027.

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INVESTMENT SCREENING AND POLITICAL RISK

Two important risks to consider in due diligence are foreign investment screening and political decision-making.

Digital infrastructure can involve protected or security-sensitive activities. For investments and transfers, you therefore need to assess whether the rules on foreign direct investment screening or protective security apply. These are two separate regulatory regimes that may need to be handled in parallel.

In transactions involving municipally or state-owned assets, political backing often determines the outcome. In recent years, defence interests have also affected individual projects.

Before you move on:

- Map the decision-making process, not just the decision-makers
- Assess the level of political support
- Assess whether the investment is subject to foreign direct investment screening or protective security rules



"When municipal or state-owned assets change hands, there is always a political risk. It is important to agree on what happens if that risk materialises."

– Hendrik Kangasmuukko, Partner at CMS Wistrand

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SWEDISH CONSTRUCTION AND CONTRACT RULES

Contract templates from other countries often fail to reflect what is typical in Sweden in terms of risk allocation, regulatory requirements and work environment responsibilities.

Swedish construction law is specific to Sweden and is generally based on Swedish standard contracts negotiated for the Swedish market. These differ from other standard contracts in areas including risk allocation, roles, time limits, formal requirements and dispute resolution. Work environment responsibilities are also allocated somewhat differently between parties in the Swedish construction market compared with other jurisdictions. The client has statutory responsibilities but may, under certain conditions, transfer work environment obligations to the design-and-build contractor and appoint work environment coordinators. Any such transfer is subject to strict formal requirements.

Before you move on:

- Review the construction contracts against Swedish law and Swedish standard contracts
- Expressly allocate work environment responsibilities
- Identify the regulatory requirements that apply during the construction phase

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OPERATION AND CUSTOMER CONTRACTS

Customer contracts generate the cash flow, and it is against that cash flow that the lender provides financing.

How customer contracts are structured affects financing at a much earlier stage than many expect. The same applies to operating agreements covering, for example, physical security and facility management, as well as supply guarantees.

Before you move on:

- Test the customer contract structure against the financing requirements
- Clarify the terms for anchor customers
- Ensure that the operating agreements are in place before commissioning



"In a data centre, you sell capacity in watts. The grid connection's total capacity ultimately sets the ceiling for the deal."

– Charles Arbro, Partner at CMS Wistrand

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SALE AND EXIT

The exit route shapes structural choices years in advance.

Anything that cannot be transferred or pledged risks reducing the value on a sale. Divestments, refinancing and joint ventures impose requirements that should therefore be considered when the structure is first established.

Before you move on:

- Review the transfer and change-of-control provisions in key contracts
- Test the structure against a future sale
- Clarify the refinancing options



Three pitfalls to avoid

1. **Lawyers are brought in after the investment decision.** The project progresses significantly before legal advice is sought, and the issues only surface when they have become expensive to resolve.

2. **The contracts are drafted for the wrong jurisdiction.** International templates do not hold up against Swedish construction and work environment law.

3. **The grid connection is treated as a technical matter.** It is a question of location, and it determines the project timeline.

About CMS Wistrand

Swedish grid law is one of our specialist areas and is often a decisive factor in whether a project can go ahead. We bring together expertise in land, M&A, real estate, banking and finance, environment, energy, construction, tax and contracts. This gives you a single point of contact throughout the project, with access to specialists in each area.

We advise international investors, infrastructure funds and global technology and cloud companies, as well as Swedish grid and fibre companies, energy companies and industrial operators.

Through CMS, we combine our Swedish expertise with the experience and specialist knowledge of colleagues in more than 50 countries. Whether your project involves Sweden, the Nordics or the rest of Europe, we can coordinate the legal advice for you.

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This guide contains general information and does not constitute legal advice in any individual matter.
CMS Wistrand Advokatbyrå, October 2026.

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