



**K2A Knaust & Andersson
Fastigheter AB (publ)**

**Prospectus regarding the admission to trading of
SEK 400,000,000 Senior Unsecured Floating
Rate Green Bonds 2020/2023**

ISIN: SE0014731071

This prospectus was approved by the Swedish Financial Supervisory Authority on 14 October 2020.

The validity of this Prospectus will expire 12 months after the date of its approval, provided that it is completed by any supplement required pursuant to Regulation (EU) 2017/1129.

The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.

IMPORTANT INFORMATION

In this Prospectus, the **"Issuer"** means K2A Knaust & Andersson Fastigheter AB (publ), K2A Knaust & Andersson Fastigheter AB (publ) together with its direct and indirect subsidiaries (the **"Group"**), or a subsidiary in the Group, depending on the context. Words and expressions defined in the terms and conditions of the Bonds, which are included in section 8 of this Prospectus (the **"Terms and Conditions"**) have the same meaning when used in this Prospectus, unless expressly stated otherwise or follows from the context.

This prospectus (the **"Prospectus"**) has been prepared by the Issuer in relation to the application for admission for trading of the Issuer's SEK 400,000,000 senior unsecured floating rate green bonds 2020/2023 with ISIN SE0014731071 (the **"Initial Bonds"**) issued on 28 August 2020 (the **"First Issue Date"**) in accordance with the Terms and Conditions, on the sustainable bond list on Nasdaq Stockholm AB (**"Nasdaq Stockholm"**). The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under the Terms and Conditions in an aggregate amount of SEK 350,000,000. Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor is there any sale of the securities being offered. Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) has acted as joint bookrunners (referred to as the **"Joint Bookrunners"**) in connection with the issue of the Initial Bonds

This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the **"Regulation"**), supplemented by Commission Delegated Regulation (EU) 2019/979 and Commission Delegated Regulation (EU) 2019/980 (jointly, the **"Prospectus Regulations"**). This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the **"SFSA"**) as the competent authority under the Regulation. Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete.

This Prospectus has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), or any U.S. state securities laws and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Issuer has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is the investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer's auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, references to "SEK" refer to Swedish Kronor.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Forward-looking statements

The Prospectus contains certain forward-looking statements that reflect the Issuer's current views or expectations with respect to future events and financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

Factors that could cause the Issuer's and the Group's actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in section **"Risk factors"**. The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section.

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

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1 RISK FACTORS

In this section, the risk factors which the Issuer considers to be material risks relating to the Issuer and the Bonds are illustrated. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The assessment of the materiality of each risk factor is illustrated with a rating of low, medium or high. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.

The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

RISK FACTORS SPECIFIC AND MATERIAL TO THE ISSUER

1.1 Risks relating to the Issuer's business activities and the real property industry and market

1.1.1 Changes in property value

The Group's properties are reported at fair value in accordance with IFRS. The fair value of the properties amounted to MSEK 4,684 as of 30 June 2020. The value is affected by a number of factors, such as (including but not limited to) operating costs, occupancy level, permitted use of the properties and market specific factors such as required return and cost of capital. Unrealised value changes may have significant impact on the Issuer's net profit and could also affect financial commitments provided in some of the Issuer's loan agreements (financial covenants). Furthermore, the property value is determined by supply and demand, and the valuations are mainly dependent on the properties' expected operating surplus and a potential buyer's required return. The return is further dependent on, inter alia, the Issuer's ability to fulfil the intended operations of the properties which mainly consists of rental, and in some cases sales, of the properties as well as the costs and expenses associated to development and renovation of the properties. The fair value of the properties and the tenants' solvency, which may affect the Issuer's rental income, is also generally affected by general conditions in the economy, such as GDP growth (Sw. *bruttonationalprodukt*), employment rate, inflation, changes in interest rate levels and amortisation requirements.

Decreased property values may, if materialised, negatively affect the Issuer's financial position and could also result in that the Issuer or a Group Company is not able to meet its financial covenants included in its respective loans facilities, which in turn could result in a loan facility being accelerated prior to maturity unless remedied.

The Issuer deems the probability of risks relating to decreased property value materialising to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

1.1.2 *Risks associated with the Issuer's projects*

The risks associated with production, management and construction of properties include, but are not limited to, constructional faults, necessary conversions for housing purposes, delayed planning processes and time schedules, hidden defects, deficiencies and other damages and pollution, and increased production costs in general. These risks apply to both production and construction of properties, as well as for property management. Regarding, for example, pollution and hidden defects there is a risk that these problems are not noticed until after completion of the project, which might negatively affect the Issuer.

Furthermore, the Issuer is dependent on suppliers for deliveries of material and customised solutions in connection with the Issuer's construction of housings. For example, the Issuer is dependent on a few bathroom suppliers for the deliveries of customised bathrooms to the Issuer's apartment units. If a specific supplier is unable to fulfil its obligation to supply the right equipment, with the right quality and at the right time, or if the cooperation with a certain supplier is terminated or not well-functioning, it can lead to significant delays in the Issuer's construction projects. If agreements with important suppliers were to be terminated at short notice, there is also a risk that the Issuer will not be able to hire another supplier on the same terms or at such short notice which may lead to increased costs and delays.

The risks above may, if materialised, lead to delays in planned and current projects, as well as higher costs for production, conversion and management of the properties, which in turn could lead to decreased earnings. The Issuer deems the probability of risks related to the Issuer's production process materialising to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

1.1.3 *Risks associated with own production*

The construction projects the Issuer develops are performed by the Issuer's subsidiary Grännäs Trähus AB. In Grännäs Trähus AB's two factories, located in Valdemarsvik and in Gävle, apartment units are manufactured. If the factories were to be destroyed, forced to close, or if any equipment in the factories were to be seriously damaged, the production may be hindered or discontinued. The Issuer's counterparties in construction projects may be dependent on scheduled deliveries, and subcontractors or other parties engaged by the Issuer for construction may in turn be forced to redirect their production or their deliveries as a result of the Issuer's delays. By extension, this could lead to claims against the Issuer. To the extent unforeseen outages, damages or other events disturbing the production chain are not fully covered by an insurance, this could lead to increased costs and decreased earnings.

As of 30 June 2020, the Issuer had 103 employees at the factories in Valdemarsvik and Gävle. There is a risk that the Issuer has made faulty calculations of prospective production volumes due to misinterpretation of market trends, general economic downturn or other factors. If the demand for the Issuer's construction projects decreases, the Issuer may have to terminate employees or change its production strategy or business model. Dismissal of employees may also damage the Issuer's reputation since the Issuer is locally involved in

Valdemarsvik and Gävle, and since the Issuer's sustainability strategy is based on being a long-term and attractive employer.

The Issuer has through its subsidiary Grännäs Trähus AB entered into a lease agreement regarding production premises in Gävle which will expire in September 2022. The lease agreement contains an option for a three-year extension of the lease. There is a risk that the landlord immediately terminates the Issuer's lease agreement and that the Issuer will not be able to extend the existing agreement or to enter into a new lease agreement under the same conditions effective as on the date of this Prospectus. If the Issuer is not able to extend the lease agreement this could lead to reduced or discontinued production of apartments which in turn could lead to delays in the Issuer's construction projects. Furthermore, changed lease terms could lead to increased costs for the Issuer.

If the above risks are materialised, either individually or in combination, it could lead to delays, increased costs and decreased earnings, negatively affecting the Issuer's profit. The Issuer deems the probability of risks related to the Issuer's own production materialising to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

1.1.4 *Risks due to COVID-19*

The outbreak of COVID-19 has had a general negative effect on the global economy which may cause delays from the Issuer's suppliers and which could have a negative effect on the Issuer's projects. Additionally, if the pandemic's effects increase or the pandemic continues over a prolonged period of time, with continuing negative effect on the Swedish economy, a part of the Issuer's tenants may not be able to pay rent in accordance with their lease contracts due to COVID-19's effect on their employment or businesses. In turn, this could lead to higher vacancy levels as well as reduced property value.

The risks associated with COVID-19 may, if materialised, lead to delayed projects and have a negative effect on the Issuer's earnings and financial position. The Issuer deems the probability of above mentioned risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

1.1.5 *Risks due to rental value and rental income*

The Issuer is a real property company mainly focused on development and production of rental housing, student housing and properties for public use, as well as long-term ownership and management of such properties. The rental income from the Issuer's properties for public use are normally based on marketable rent. For newly produced housings on the other hand, the rent can be determined (i) by agreement with tenants' associations regarding the housing's utility value (Sw. *bruksvärdeshyra*), (ii) by agreement with the tenants' associations regarding presumption rent (Sw. *presumtionshyra*) and (iii) by the landlord determining the rent. The Issuer is dependent on the tenants paying the agreed rents when due, and that the rent levels are reasonable in order not to risk that the rents are being subject to procedures at by the rent tribunal (Sw. *hyresnämnden*). If tenants do not perform in accordance with their lease agreement it could have a negative effect on the Issuer's earnings.

Before initiating new projects, the Issuer estimates which rent level it may obtain after the project is completed. When producing new housings, agreements with tenants are normally not signed before the project is initiated meaning that there is a risk that the occupancy level will not meet the estimations made by the Issuer. Furthermore, the rent has normally not been negotiated with the tenants' association when the project is initiated, meaning there is a risk that the rental income will be less than the Issuer estimated beforehand which may affect the projects' profitability and the valuation of the properties. The estimated rent may also turn out to be calculated on incorrect bases and assumptions, which may result in the actual rental incomes being lower than estimated, affecting the investment's profitability.

The Issuer is also exposed to risks related to single tenants. In Kiruna for example, the Issuer owns a property for public use rented by the Institute of Space Physics (Sw. *Institutet för rymdfysik*) and Luleå University of Technology (Sw. *Luleå tekniska universitet*) amongst others. The rental revenues during 2019 from these two tenants was MSEK 12.5 which corresponds to 8.5 % of the total rental revenues of the Group during 2019. If important single tenants were to terminate their lease agreements, it could lead to lower occupancy levels and reduced rental incomes, and as a result lower fair values for the properties.

Above mentioned risk related to rental value and rental income may, if they are materialised, have a negative effect on the Issuer's earnings and financial position. The Issuer deems the probability of the risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

1.1.6 *Risks related to increased operating and maintenance costs*

The Issuer's properties are rented to private individuals as well as to commercial and public actors. The responsibility for operating and maintenance costs is regulated in the lease agreements. Operating and maintenance costs may, for example, refer to the costs of electricity, water, heat and cleaning as well as costs due to maintain the buildings' standard in the long term. The Issuer is also responsible for the technical operations of its properties which might be affected by constructional faults and other defects and damages.

The lease agreements between the Issuer and commercial or public actors normally stipulate that the rent should be adjusted to the same extent as the landlord's operating and maintenance costs changes. However, this is not generally the case for lease agreements with private individuals. In such lease agreements it is normally stipulated that the landlord is responsible for the increased costs. Approximately 75 % of the Issuer's total lettable area as of 31 December 2019 consist of rental apartments rented by private individuals meaning that there is a risk of increased operating and maintenance costs for the Issuer. If the Issuer is not able to compensate for such increased costs through renegotiation of the lease agreements, it could have a negative impact on the Issuer's earnings.

If the above risks are materialised it could lead to increased costs for the Issuer, which in turn would have a negative effect on the Issuer's financial position and profit. The Issuer deems the probability of the risks relating to increased operating

and maintenance materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

1.1.7 *Dependence on retaining and recruiting key employees*

The Issuer is dependent on about nine key employees. These employees have extensive knowledge of the property market and the Issuer's operations. The experience and commitment of these employees are important for the Issuer's future development. In addition to current employees, the Issuer also needs to recruit new employees with special skills or experience in order to expand further.

If the Issuer fails to recruit new employees, or if key employees leave the Issuer and suitable and experienced replacements cannot be recruited, this could have a negative effect on the Issuer's ability to conduct its operations. The Issuer deems the probability of such risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

1.1.8 *Risks associated with the Issuer's geographical concentration of property projects*

The supply and demand for properties, and consequently the valuation of property investments, varies between different geographical markets which could develop differently. As of the date of this Prospectus, the Issuer has projects in many parts of Sweden but mainly in and around university and college (Sw: *högskola*) cities.

The demand may decrease in those geographical markets the Issuer operates in even if the demand does not decrease in Sweden as a whole. Reduced demand may lead to lower occupancy levels, less opportunity to increase rent increases levels or reduced property values.

A decreased demand may result in decreased earnings and a negative effect on the Issuer's financial position and profit. The Issuer deems the probability of above mentioned risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

1.1.9 *The Issuer may lose the right to label its properties with a Nordic Swan Ecolabel*

The Issuer has an environmental profile and uses wood as the main building material. In December 2017, the Issuer received a license from Ecolabelling Sweden AB (Sw. *Miljömärkning Sverige*), which issues the environmental certification Nordic Swan Ecolabel (Sw. *Svanenmärket*). The Issuer's environmental profile also results in the opportunity to obtain so-called sustainable financing.

There is a risk that the Issuer's production of residences will not meet the requirements for labelling the residences with a Nordic Swan Ecolabel, or that existing Nordic Swan Ecolabelled residences, in retrospect, prove not to live up to the environmental requirements.

If this risk materialise it could have a negative effect on the Issuer's reputation and, as a result, its operations and earnings. The Issuer deems the probability of such risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

1.2 Legal and regulatory risks

1.2.1 *Environmental risks*

Property management and investments include the potential of environmental risks. The Swedish Environmental Code (Sw. *miljöbalken* (1998:808)) states that business operators that have contributed to pollution are responsible for remediation of the relevant polluted property. If the responsible person or entity is unable to remediate a polluted property, the person or entity acquiring the property, under certain circumstances, is liable for remediation. Since the Issuer from time to time acquires properties as part of its operations, claims for remediation of polluted or environmentally damaged property could be directed at the Issuer for remediation. For example, asbestos has been identified during a renovation of a building in Örebro.

Further, since most of the Issuer's properties are used for residential purposes, the Issuer normally must conduct its operations in accordance with higher environmental requirements than what would be the case if the properties were used for other purposes. This results in a higher risk of being obliged to remediate properties in order to be able to use the properties for residential purposes.

However, since most of the Issuer's properties are acquired from Swedish municipalities, the Issuer deems the probability of being forced to take remediation measures due to previous owners' pollution to be lower than usual. The Issuer's conclusion is based on the fact that municipalities should be able to remediate possible pollutions under their responsibility. For example, this has been the case on two properties in Gävle and Sundsvall. The respective municipalities have in these cases been forced and accepted to remediate the properties due to pollution.

If these risks materialise it could result in increased costs for the Issuer. The Issuer deems the probability of environmental risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

1.2.2 *Dependency on cash flow from its subsidiaries*

The Issuer is a holding company and the Group's operations are made through its subsidiaries. The Issuer is hence dependent on its subsidiaries in order to fulfil its obligations under the Bonds. The transfer and distribution of funds to the Issuer from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary. Additionally, the Group Companies are separate legal entities and have no obligations to fulfil the Issuer's obligations towards its creditors unless otherwise agreed. If the subsidiaries do not provide dividend income, or due to other circumstances, conditions, laws or other regulations are prevented from providing liquidity distributions to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Bonds or other financial commitments.

The Issuer deems the probability of such risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

1.3 Risks related to the Issuer's and the Group's financing

1.3.1 *Liquidity risks – project development*

Liquidity risk in relation to the Issuer's projects developments is the risk that liquid assets, in addition to available external financing, of the Issuer are not sufficient to finance ongoing projects, acquisitions and operations. In order to continue to grow the business and expand its operations and investments, access to liquid funds are necessary to such an extent that several projects can be started and run in parallel.

If the Issuer does not have sufficient liquidity to fulfil its ongoing projects this could result in decreased growth and expansion as well as increased costs and penalties, hence affect the Issuer's financial position. The Issuer deems the probability of such risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

1.3.2 *Liquidity risks – amortizations and interest due*

Liquidity risk in relation to amortizations and interest due is the risk that the liquid assets of the Issuer are not sufficient or not available to meet its payment obligations at the relevant maturity date without increasing the cost of obtaining such necessary liquidity. The Issuer is dependent on available liquidity in order to fulfil its obligations including, inter alia, paying interest and amortisation costs related to its financing.

If the Issuer does not have sufficient liquidity to fulfil its obligations, this could result in increased costs and penalties, hence affect the Issuer's financial position. The Issuer deems the probability of such risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

1.3.3 *Interest rates risk*

Changes in costs of funding of interest will affect the Issuer's interest expenses, which represent the Issuer's single largest cost item. Interest rate risk could result in a change in fair value, changes in cash flow and fluctuations in the Issuer's profit. The Issuer is exposed to interest rate risks due to its interest-bearing liabilities.

Since most of the Issuer's operations concern rental for residential purposes, which is inherently associated with rigid rent levels, it may cause difficulties for the Issuer to increase its revenues to compensate for higher interest costs. This could result in that the Issuer will have less opportunity to pay interest and amortisation costs related to its financings, resulting in a risk that the Issuer is in breach of its or a Group Company's loan facility agreements.

The Issuer has entered into interest rate hedging agreements in accordance with the Issuer's financial policy which partially reduces the Issuer's exposure to floating rates and thereby increased interest rates. However, if the interest rates decrease below the fixed swap rate the hedging agreements result in higher costs than what floating interest rates would entail as well as negative value changes of the fair value of the hedging agreements. The net interest costs (Sw: *räntenetto*) was for the financial year 2019 MSEK 45.6. Based on the interest

sensitivity analysis (Sw: *känslighetsanalys räntor*) made by the Issuer a +/- 1 % per annum change will affect the Group's annual earnings with approximately +/- MSEK 15.

The Issuer deems the probability of such risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

1.3.4 *Refinancing risks*

Refinancing risks refer to, inter alia, the risks of increased funding costs and the availability to refinance existing loan facilities.

The Issuer's total project development and investment costs exceed the Issuer's cash and cash equivalents, while the cash flow from the investment properties is not enough to finance the Issuer's new production. The Issuer's operations are therefore partly financed by externally provided debt capital. The required capital for financing of both development of existing properties and future acquisitions is and will be provided by banks and other financial institutions. As of 30 June 2020, the Group's interest-bearing liabilities amounted to MSEK 3,161.8 of which MSEK 337 will be due within twelve months.

If the Issuer cannot refinance its loans in full or in part or a refinancing is made with increased funding and/or margin costs, it might have a negative effect on the Issuer's possibilities to repay its debts and its operations and earnings. The Issuer deems the probability of such risks materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

1.3.5 *Risks associated with investment support*

The Issuer occasionally applies for and is granted investment support in accordance with the ordinance on investment support for rented housing and student accommodation (Sw: *Förordning (2016:881) om statligt investeringsstöd för hyresbostäder och bostäder för studerande*). Due to risk for potential future political decisions the ordinance may be amended, changing the prerequisites necessary to meet in order to be granted the support. The investment support may also be reduced or even abolished in the future.

Amendments in the investment support regulations could lead to the Issuer not being granted investment support to the same extent as in the past, or at all, which could negatively affect the Issuer's earnings and financial position. The Issuer deems the probability of risks related to the investment support for rented housing and student accommodation materialising to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

RISK FACTORS SPECIFIC AND MATERIAL TO THE BONDS

1.4 Risks relating to the nature of the Bonds

1.4.1 *Risk related to the Bonds being unsecured*

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among them and at least pari passu with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents. Thus, a Bondholder will normally receive payment after any creditor with secured assets or other creditor with higher ranking claims in the event of the Issuer's liquidation, company reorganisation or bankruptcy. Consequently, a Bondholder may not recover any or full value in the event of the Issuer's liquidation, bankruptcy or company reorganisation. Each investor should be aware that by investing in the Bonds, it risk losing the entire, or part of, its investment.

The Issuer deems the probability of risks related to the Bonds being unsecured materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

1.4.2 *Risks relating to insolvency of subsidiaries and structural subordination*

A significant part of the Issuer's revenues relate to the Issuer's subsidiaries. In the event of the insolvency or liquidation of (or a similar event relating to) one of the Issuer's subsidiaries all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Issuer (as a shareholder) would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries and there is a significant risk, should a subsidiary be subject to, *inter alia*, an insolvency or liquidation proceeding, that the Issuer will not be entitled to any payments.

The Issuer and its assets may not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

The Issuer deems the probability of risks related to insolvency of subsidiaries and structural subordination materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

1.4.3 *Risks related to green bonds*

The Bonds are defined as "green" according to the Issuer's Green Finance Framework. The Green Finance Framework, as well as market practice for green bonds, may be amended and develop after the First Issue Date, thus affecting any of the requirements applicable to the Issuer in respect of any Subsequent Bonds. The Issuer's failure to comply with the Green Finance Framework does not constitute an event of default under the Terms and Conditions and would not permit Bondholders to exercise any early redemption rights or receive any other type of compensation for non-compliance with the Green Finance Framework. There is however a risk that a failure to comply with the Green Finance Framework could have a material adverse effect on the market value of the Bonds due to investors perceiving the Bonds as a less favourable investment.

The Issuer deems the probability of risks related to green bonds materialising to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

2 STATEMENT OF RESPONSIBILITY

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 11 March 2020 and on 13 August 2020 and the Initial Bonds were subsequently issued in the amount of SEK 400,000,000 on 28 August 2020.

The board of directors of the Issuer is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

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

14 October 2020

K2A Knaust & Andersson Fastigheter AB (publ)

The board of directors

3 THE BONDS IN SUMMARY

The following summary of the Bonds contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, please see the Terms and Conditions, section 8. Unless otherwise defined or the context requires otherwise, capitalised words and expressions used herein shall have the same meaning given thereto in the Terms and Conditions.

Issuer:	K2A Knaust & Andersson Fastigheter AB (publ).
The Bonds:	SEK 400,000,000.
Type:	Senior unsecured floating rate green bonds.
Status:	<p>The Bonds are debt instruments (Sw. <i>skuldförbindelser</i>) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i>).</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.</p>
Governing law and jurisdiction:	<p>The Bonds have been created under Swedish law. The Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden. The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. <i>Stockholms tingsrätt</i>).</p>
ISIN:	SE0014731071.
Currency:	SEK.
First Issue Date:	28 August 2020.
Nominal Amount:	SEK 1,250,000.
Price of Initial Bonds:	100 per cent. of the Nominal Amount.
Number of Bonds:	320 Bonds.
Subsequent issue:	As of the date of this Prospectus, another SEK 350,000,000 Bonds may be issued under the Terms

and Conditions. This Prospectus is prepared solely for the admission to trading of the Initial Bonds on the Sustainable Bond List of Nasdaq Stockholm. In case of subsequent issues of Bonds, a new prospectus will be prepared for the admission to trading of such Subsequent Bonds.

Interest Rate: Interest on the Bonds is paid at a floating rate of STIBOR (3 months) plus 3.95 per cent. *per annum*.

STIBOR: “**STIBOR**” means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator) as of or around 11.00 a.m. on the Quotation Day on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

Interest Period:	<p>Means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).</p> <p>Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.</p>
Interest Payment Date:	<p>28 August, 28 November, 28 February and 28 May of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 28 November and the last Interest Payment Date shall be the relevant Redemption Date.</p>
Final Maturity Date:	<p>Means the date falling three (3) years after the First Issue Date.</p>
The CSD and registration of the Bonds:	<p>The Issuer's central securities depository and registrar in respect of the Bonds is Euroclear Sweden AB, Swedish reg. no. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with the Terms and Conditions.</p> <p>The Bonds have been registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds are registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register kept by the CSD shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds.</p>
Prescription:	<p>The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.</p>
Redemption at maturity:	<p>The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date</p>

	with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.
Purchase of Bonds by the Issuer and any other Group Company:	The Issuer and any other Group Company may at any time and at any price purchase Bonds on the market or in any other way. Bonds held by the Issuer or any other Group Company may at their discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.
Voluntary total redemption:	<p>The Issuer may redeem all, but not only some, of the outstanding Bonds in full:</p> <p>a) from and including the First Call Date to, but excluding, the Final Maturity Date, at an amount per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest; and</p> <p>b) provided that the redemption is financed in full or in part by way of an issue of one or several Market Loans, from and including the date falling six (6) months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.</p>
Early redemption due to illegality:	The Issuer may redeem all, but not only some, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event:	Upon the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event, each Bondholder shall during a period of thirty (30) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, the Listing Failure Event or the De-Listing Event, as the case may be, pursuant to Clause 10.1.3 of the Terms and Conditions (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Financial covenants:	<p>Maintenance test - means the Equity Ratio being equal to or higher than 15 % and the Interest Coverage Ratio being equal to or higher than 1.25 at all times.</p> <p>Incurrence test – means the Equity Ratio being equal to or higher than 20.00 %.</p>

Events of Default:	Means, amongst others, non-payment, breach of other obligations, insolvency and cross-acceleration.
Listing:	<p>A Listing Failure Event will occur if the Initial Bonds are not admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or any other Regulated Market within 60 days following the First Issue Date (although the Issuer will use its best efforts to have the Initial Bonds admitted to listing within 30 days from the First Issue Date).</p> <p>The Issuer shall ensure that the Initial Bonds are admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or, if such admission to listing is not possible to obtain or maintain, admitted to listing on any other Regulated Market, within 4 months after the First Issue Date.</p> <p>An application will be made to list the Initial Bonds on the Sustainable Bond List of Nasdaq Stockholm. The earliest date for admitting the Bonds for trading on Nasdaq Stockholm is 16 October 2020.</p>
Listing cost:	The cost for listing of the Initial Bonds is estimated to amount to approximately SEK 276 400.
Transferability:	The Bonds are freely transferable, but a Bondholder may be subject to purchase or transfer restrictions with regards to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Such Bondholder must ensure compliance with such restrictions at its own cost and expense.
Use of Proceeds:	The Net Proceeds shall be used to finance or re-finance eligible green assets as defined in the Issuer's Green Finance Framework, including for example prefabricated wooden buildings produced in the Issuer's own factories by using locally grown Swedish wood as an input material. For full details, please see the Green Finance Framework which is available on the Issuer's website, www.k2a.se .
Estimated Net Proceeds:	MSEK 393,4.
Agent:	<p>Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, or another party replacing it as Agent, in accordance with the Terms and Conditions.</p> <p>Pursuant to the Agency Agreement, the Agent has undertaken to act as agent in accordance with the Terms and Conditions and the Issuer has undertaken to pay certain fees to the Agent. The Agency</p>

Agreement was entered into before the First Issue Date and is governed by Swedish law. The Terms and Conditions and the Agency Agreement are available on the Issuer's website, www.k2a.se.

Issuing Agent	Swedbank AB (publ), reg. no. 502017-7753, 105 34 Stockholm, is initially acting as Issuing Agent in accordance with the Terms and Conditions.
Joint Bookrunners	Nordea Bank Abp, filial i Sverige, reg. no. 516411-1683 and Swedbank AB (publ), reg. no. 502017-7753 are initially acting as Joint Bookrunners in accordance with the Terms and Conditions.
Benchmark Regulation:	Amounts payable under the Bonds are calculated by reference to STIBOR. As at the date of this Prospectus, the administrator for STIBOR is not included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

4 THE ISSUER AND ITS OPERATIONS

4.1 Company description

The Issuer's legal and commercial name is K2A Knaust & Andersson Fastigheter AB (publ) and its registration number is 556943-7600. The Issuer was incorporated in Sweden and founded as well as registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 27 September 2013. The Issuer is a public limited liability company (Sw. *publikt aktiebolag*) subject to, inter alia, the Swedish Companies Act (Sw. *aktiebolagslag* (2005:551)) and the Swedish Annual Accounts Act (Sw. *årsredovisningslag* (1995:1554)). The seat of the Issuer is in Stockholm. The Issuer's operations are governed by Swedish law.

The Issuer's head office and registered address is Nybrogatan 59, 114 40 Stockholm. The Issuer's legal identifier code (LEI code) is 549300Q62J8QZJ5TGJ71. The telephone number of the Issuer is 010-510 55 10. The website of the Issuer is www.k2a.se. Information made available on the Issuer's website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus.

According to section three of the Issuer's articles of association, the purpose and business of the Issuer's is to directly and/or indirectly own and manage real estate, conduct consultative activities regarding property management and financing, engage in securities trading, and thereto pertaining business.

4.2 Business and operations

The Issuer's main business idea is to engage in the long-term ownership, development and management of rental housing and properties for public use in Stockholm, Mälardalen and at a number of university cities in Sweden, such as Gävle, Kiruna, Lund, Sundsvall, Umeå, Uppsala, Växjö and Örebro.

As of 30 June 2020, the Issuer's property portfolio consisted of 25 investment properties, with a total of 2,703 apartments. The total leasable area amounted to approximately 96.8 thousand square meters, the total value of the properties amounted to approximately SEK 3,765 million and the total rental value amounted to approximately SEK 209 million. Rental housing constituted the largest category, corresponding to approximately 44 percent of the rental value, while student housing constituted approximately 43 percent of the rental value and properties for public use approximately 13 percent. Geographically, Stockholm and Mälardalen constituted the Issuer's largest market with 53 percent of the rental value, while university cities accounted for 33 percent of the rental value and other locations 14 percent of the rental value.

As of 30 June 2020, the Issuer had projects with the purposes of producing 4,018 apartments with an estimated total rental value of approximately SEK 414 million. 940 of these apartments were in production and for the remaining apartments, production has not yet started.

The Issuer is active in all parts of the value chain - from the initial customer analysis and land acquisition to production and construction of the apartments and finally leasing and management of the apartments.

The initial customer analysis examination of what is most important to potential tenants. The results of such studies have shown that a well-planned layout and high functionality are normally more important than the size of the apartment.

The Issuer normally acquires land in two different ways; through land allocations and through off-market-transactions. Through land allocation procedures, the municipality distributes land to one developer or a group of developer before planning a new built environment. Normally, the developer who wins a land allocation has the exclusive right to negotiate with the municipality, for a certain period of time and under certain conditions, regarding the exploitation of the land that has been assigned to the developer. The off-market-transactions is done through privately negotiated transactions.

Through the subsidiary Grännäs Trähus AB, the Issuer has access to its own production capacity. The Issuer normally produces four types of well-planned standard apartments which can be adapted to different environments and requirements. The standardised production of these apartments provides the basis for an efficient production process. Furthermore, since the Issuer has its own factories, it allows production capacity to be adjusted, which, in turn, might result in better control in terms of deliveries and production costs. When the units are completed, they are transported to the building site and then assembled to create complete residential buildings.

The Issuer also manage the leasing and management of the residences and properties. This, among other things, includes maintenance in order to maintain the long-term value of the properties.

The Issuer has a sustainability perspective on both its production of apartments and the property management. The Issuer's production method contributes to an environmentally sustainable development of the property market. The production method involves manufacturing apartments mainly in wood, which is a versatile material and the only economically competitive renewable building material. Ecolabelling Sweden AB (Sw. *Miljömärkning Sverige AB*) has examined the Issuer's production process and awarded the Issuer with a licence to Nordic Swan Ecolabel (Sw. *Svanenmärka*) all upcoming and self-produced property productions. The Issuer was the first manufacturer of prefabricated wooden apartment units that have been licensed to produce Nordic Swan Ecolabelled buildings.

4.3 Organisational structure

The Issuer is the parent company of 67 directly or indirectly owned subsidiaries. As per the date of this Prospectus, the Issuer has initiated a merger process that will result in five subsidiaries being absorbed. All subsidiaries, except for Svenska Studenthus i Linköping AB, Grännäs Trähus AB and its subsidiaries, Slaggborn Utvecklings AB and its subsidiaries, and Genova Viby Holding AB and its subsidiaries, are fully owned by the Issuer. For a more detailed description of the companies in the Group as per 31 December 2019, please see Note 17 in the Issuer's annual report 2019, which is incorporated into this Prospectus by reference. As the Issuer's operations are conducted by the subsidiaries, the Issuer is dependent on its subsidiaries to generate revenues and profits in order to be able to fulfil its obligations.

In addition to companies, directly or indirectly, owned by the Issuer, the Issuer from time to time holds shares in companies through which properties are owned jointly with other investors. As per the date of this Prospectus, the Issuer (through its subsidiaries) and Samhällsbyggnadsbolaget i Norden AB (through its subsidiaries) are joint owners of Slaggborn Utvecklings AB. Further, the Issuer (through its subsidiaries) and Genova Property Group AB (through its subsidiaries) are joint owners of Genova Viby Holding AB.

4.4 Share capital, shares and ownership structure

Pursuant to its articles of association, the Issuer's share capital shall be not less than SEK 75,000,000 and not more than SEK 300,000,000 split into not less than 12,000,000 shares and not more than 48,000,000 shares. On the day of the Prospectus the Issuer's share capital amounts to SEK 118,043,500 split into 18,886,960 shares. All outstanding shares issued by the Issuer have been fully paid.

Shares in the Issuer may be issued in four classes; ordinary class A, B and D shares, and preference shares. Class A shares carry ten (10) votes per share. Class B and D shares and preference shares carry one (1) vote per share. On the day of the Prospectus the number of class A shares amounts to 2,120,928, class B shares to 13,600,000, class D shares to 1,361,232 and preference shares to 1,804,800. The Issuer's class B shares and preference shares are listed on Nasdaq Stockholm.

The following table sets forth the major shareholders in the Issuer as of 30 September 2020.

Shareholder	Number of shares				Percentage of	
	Series A	Series B	Series D	Preference shares	Shares, %	Voting rights, %
Johan Knaust (private and through companies)	568,368	3,480,403	1,361,232	94,025	29.1	28.0
Länsförsäkringar Fastighetsfond		2,512,331			13.3	6.6
Johan Thorell (private and through companies)	482,400	1,125,600		19,499	8.6	15.7
Johan Ljungberg (private and through companies)	482,400	1,125,600		13,864	8.6	15.7
Claes-Henrik Julander (private and through companies)	435,360	1,017,256		17,659	7.8	14.2
SEB Fonder		1,008,343		61,870	5.7	2.8
Swedbank Försäkring		610,421		67,542	3.6	1.8
Ludwig Holmgren	152,400	313,346		2,032	2.5	4.8
Verdipapirfond Odin Ejendom		387,995			2.1	1.0
Avanza Pension		207,353		178,232	2.0	1.0
Total for the ten largest shareholders	2,120,928	11,788,648	1,361,232	454,723	83.3	91.7
Others		1,811,352		1,350,077	16.7	8.3
Total	2,120,928	13,600,000	1,361,232	1,804,800	100	100

As far as the Issuer is aware, there are no direct or indirect significant ownership or control over the Issuer in addition to the table above. Further, there are currently no known agreements or other arrangements that will or may result in a change of control over the Issuer.

The shareholders' influence is exercised through active participation in the decisions made at general meetings of the Issuer. To ensure that the control over the Issuer is not abused, the Issuer complies with the Swedish Companies Act. In addition, the Issuer acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Issuer.

5 BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITOR

5.1 Board of directors

As of the date of this Prospectus, the Issuer's board of directors consists of seven ordinary board members, including the chairman of the board, elected on the annual general meeting for the period up to the end of the 2021 annual general meeting. According to the Issuer's articles of association, the board shall consist of a minimum of three and a maximum of seven board members. All members of the board of directors and senior executives can be reached through the Issuer's address, stated in the section 7 "Addresses" below.

Name	Position	Elected as board member	Independent in relation to the Issuer and its management	Independent in relation to major shareholders
Johan Thorell	Chairman of the board of directors	2015	Yes	No ¹
Johan Ljungberg	Board member	2017	Yes	No ²
Claes-Henrik Julander	Board member	2014	Yes	No ³
Ingrid Lindquist	Board member	2019	Yes	Yes
Ludwig Holmgren	Board member	2017	Yes	Yes
Sten Gejrot	Board member	2017	No ⁴	Yes
Johan Knaust	Board member and CEO	2013	No ⁵	No ⁶

Johan Thorell (born 1970)

Chairman of the board since 2015. Member of the Issuer's audit committee (Sw. *revisionsutskott*)

Significant commitments outside the Group: chairman of the board directors of Kallebäck Property Invest AB. Board member of AB Sagax, Hemsö Fastighets AB, Tagehus Holding AB, Storskogen Group AB and Delarka Holding AB.

Shareholdings in the Issuer: 482,400 class A shares, 1,125,600 class B shares and 19,499 preference shares, held privately and/or through companies.

¹ Johan Thorell controls (private and/or through companies) more than ten percent of the shares and/or votes in the Issuer.

² Johan Ljungberg controls (private and/or through companies) more than ten percent of the shares and/or votes in the Issuer.

³ Claes-Henrik Julander controls (private and/or through companies) more than ten percent of the shares and/or votes in the Issuer.

⁴ Sten Gejrot is partner at Advokatfirman Lindahl from which the Issuer purchases legal services.

⁵ Johan Knaust is the CEO of the Issuer.

⁶ Johan Knaust controls (private and/or through companies) more than ten percent of the shares and/or votes in the Issuer.

Johan Ljungberg (born 1972)

Board member since 2017. Member of the Issuer's sustainability committee (Sw. *hållbarhetsutskott*)

Significant commitments outside the Group: chairman of the board of directors of Atrium Ljungberg AB, Tagehus Holding AB and John Mattson Fastighetsföretagen AB.

Shareholdings in the Issuer: 482,400 class A shares, 1,125,600 class B shares and 13,864 preference shares, held privately and/or through companies.

Claes-Henrik Julander (born 1969)

Board member since 2014. Member of the Issuer's audit committee (Sw. *revisionsutskott*)

Significant commitments outside the Group: chairman of the board of directors of Erik Penser Bank Aktiebolag and Star Stable Entertainment AB. Board member of Biocrine AB, Svipdag AB, The Forest Solution Falun Sweden AB and Yggdrasil AB.

Shareholdings in the Issuer: 435,360 class A shares, 1,017,256 class B shares and 17,659 preference shares, held privately and/or through companies.

Ingrid Lindquist (born 1957)

Board member since 2019. Member of the Issuer's audit committee (Sw. *revisionsutskott*)

Significant commitments outside the Group: chairman of the board of directors of Lysa AB. Board member of Hobohm Brothers Equity AB, Länsförsäkringar Stockholm, Kavat Vård AB, Fora AB, Collectum AB, Wise Group AB and Kollektivavtalsinformation Sverige AB.

Shareholdings in the Issuer: 6,000 class B shares, held privately and/or through companies.

Ludwig Holmgren (born 1972)

Board member since 2017. Member of the Issuer's sustainability committee (Sw. *hållbarhetsutskott*)

Significant commitments outside the Group: Head of Business Development at Carneio Asset Managers.

Shareholdings in the Issuer: 152,400 class A shares, 313,346 class B shares and 2,032 preference shares, held privately and/or through companies.

Sten Gejrot (born 1962)

Board member since 2017.

Significant commitments outside the Group: Lawyer and partner of Advokatfirman Lindahl.

Shareholdings in the Issuer: 2,000 class B shares, held through a company.

Johan Knaust (born 1971)

Board member and CEO since 2013. Member of the Issuer's sustainability committee (Sw. *hållbarhetsutskott*)

Significant commitments outside the Group: Johan Knaust has no other on-going commitments of significance.

Shareholdings in the Issuer: 568,368 class A shares, 3,480,403 class B shares, 1,361,232 class D shares and 94,025 preference shares, held privately and/or through companies.

5.2 Senior management

Name	Position	Employed (year)
Johan Knaust	CEO	2013
Christian Lindberg	Deputy CEO	2017
Ulrika Grewe Ståhl	CFO	2020
Sandra Sundman	Head of finance	2016
Henrik Nordlund	Head of asset management	2020
Patrik Linzenbold	Head of investor relations	2019
Karl Vahlund	Head of transactions	2019
Erik Lemaitre	Head of business development	2020
Karina Antin	Head of sustainability	2020
Fredrik Widerstedt	Project manager	2016

Johan Knaust (born 1971)

Board member and CEO since 2013.

See above under section 5.1 "*Board of directors*".

Christian Lindberg (born 1980)

Deputy CEO since 2020. Head of business development 2017–2018, CFO 2018–2020

Significant commitments outside the Group: Christian Lindberg has no other on-going commitments of significance.

Shareholdings in the Issuer: 75,000 class B shares, held privately and/or through companies.

Ulrika Grewe Ståhl (born 1976)

CFO since 2020

Significant commitments outside the Group: Ulrika Grewe Ståhl has no other on-going commitments of significance.

Shareholdings in the Issuer: Ulrika Grewe Ståhl does not own any shares in the Issuer.

Sandra Sundman (born 1986)

Head of finance since 2018

Significant commitments outside the Group: Sandra Sundman has no other on-going commitments of significance.

Shareholdings in the Issuer: 420 class B shares, held privately and/or through companies.

Henrik Nordlund (born 1987)

Head of asset management since 2020

Significant commitment outside the Group: Henrik Nordlund has no other on-going commitments of significance.

Shareholdings in the Issuer: 70 class B shares, held privately and/or through companies.

Patrik Linzenbold (born 1971)

Head of investor relations since 2019

Significant commitments outside the Group: Head of Investor Relations at Zound Industries International AB.

Shareholdings in the Issuer: Patrik Linzenbold does not own any shares in the Issuer.

Karl Vahlund (born 1984)

Head of transactions since 2019

Significant commitments outside the Group: Karl Vahlund has no other on-going commitments of significance.

Shareholdings in the Issuer: 12,500 class B shares, held privately and/or through companies.

Erik Lemaitre (born 1968)

Head of business development since 2020

Significant commitments outside the Group: Erik Lemaitre has no other on-going commitments of significance.

Shareholdings in the Issuer: 600 class B shares, held privately and/or through companies.

Karina Antin (born 1986)

Head of sustainability since 2020

Significant commitments outside the Group: Karina Antin has no other on-going commitments of significance.

Shareholdings in the Issuer: Karina Antin does not own any shares in the Issuer.

Fredrik Widerstedt (born 1983)

Project manager since 2016

Significant commitments outside the Group: Fredrik Widerstedt has no other on-going commitments of significance.

Shareholdings in the Issuer: 3,335 class B shares and 3 preference shares, held privately and/or through companies.

5.3 Possible conflicts of interest

Save for what is mentioned below, the board members and the senior management do not have any private interests which could conflict with the Issuer's interest.

There are no family ties between the individuals on the Issuer's board of directors or the senior management. However, as set out in section 5.1–5.2 above, certain members of the board of directors and senior management hold shares in the Issuer.

Board members Johan Thorell and Johan Ljungberg have board assignments and own shares in other real estate companies which, directly or indirectly, operates on the Swedish real estate market. Situations may arise where Johan Thorell and Johan Ljungberg might have interests that differ from the Issuer's interests. See section 5.1 "*Board of directors*" above for a description of Johan Thorell's and Johan Ljungberg's current on-going assignments.

Board member Sten Gejrot is partner at Advokatfirman Lindahl, which regularly performs legal services for the Issuer.

5.4 Auditor

According to the Issuer's articles of association, the Issuer must have at least one and no more than two auditors, with or without deputies. KPMG AB is the Issuer's auditor, with Fredrik Sjölander (born 1970) as the auditor in charge during the period covered by the historical financial information. At the annual general meeting held on 28 April 2020, KPMG was re-elected with Fredrik Sjölander as the auditor in charge for the time leading up to the next annual general meeting. Fredrik Sjölander is a certified public accountant and member of FAR. KPMG's office address is Vasagatan 16, 111 20 Stockholm.

6 OTHER INFORMATION

6.1 Legal and arbitrary proceedings

The Issuer is from time to time involved in governmental, legal or arbitration proceedings within its business. However, the Issuer has not been a party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous twelve months from the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

6.2 Certain material interests

Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) are Joint Bookrunners in conjunction with the issuance of the Bonds. The Joint Bookrunners (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services and facilities to the Issuer for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

6.3 Material changes and trend information

Subject to the issue of the Initial Bonds, there have been no significant changes to the Issuer's financial performance or position since 30 June 2020 (the end of the last period where financial information is available).

There has been no material adverse change in the prospects of the Issuer since 31 December 2019, being the end of the last financial period for which an audited financial report has been prepared and there has been no recent events specific to the Issuer which to a material extent are relevant to the evaluation of the Issuer's solvency.

6.4 Material agreements

The Issuer has not concluded any material agreements not entered into in the ordinary course of its business which could result in a member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders.

6.5 Historical financial information

The Issuer's consolidated annual reports for the financial years ended 31 December 2018 and 31 December 2019, respectively, as well as the Issuer's interim report for the period of 1 January 2020 to 30 June 2020 (the "**Financial Statements**"), are incorporated into this Prospectus by reference to the extent set out below. The Financial Statements are to be read as part of this Prospectus, provided that the non-incorporated parts are not relevant for investors in the Bonds or covered elsewhere in the Prospectus.

The Issuer's interim report for the period 1 January 2020–30 June 2020:

1. consolidated income statement, page 17;
2. consolidated balance sheet, page 18;
3. consolidated cash flow statement, page 20;
4. consolidated statement of changes in equity, page 19;
5. the notes, page 25-28; and
6. accounting policies, page 25.

The Issuer's annual report for the financial year ended 31 December 2019:

1. consolidated income statement, page 88;
2. consolidated balance sheet, page 89;
3. consolidated statement of changes in equity, page 90;
4. consolidated cash flow statement, page 91;
5. the notes, pages 96–113; and
6. the audit report, pages 114–116.

The Issuer's annual report for the financial year ended 31 December 2018:

1. consolidated income statement, page 85;
2. consolidated balance sheet, page 86;
3. consolidated statement of changes in equity, page 87;
4. consolidated cash flow statement, page 88;
5. the notes, pages 93–107; and
6. the audit report, pages 108–110.

The Issuer's annual reports for the financial years ended 31 December 2018 and 31 December 2019, respectively, have been audited. The Issuer's interim report for the period 1 January 2020 to 30 June 2020 has not been audited by the Issuer's auditor. Save for what is mentioned above, the Issuer's auditor has not audited or reviewed any part of this Prospectus.

The annual reports have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations provided by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU. The interim report for the period 1 January – 30 June 2020 has been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. Furthermore, the Issuer also applies the Swedish Annual Accounts Act.

All Financial Statements are available on the Issuer's website <https://investerare.k2a.se/sv/rapporter-presentationer> and can be obtained in paper format at the Issuer's head office at Nybrogatan 59, 114 40 Stockholm.

6.6 Documents available for inspection

Copies of the following documents are available at the Issuer's website (www.k2a.se):

- The Issuer's articles of association and certificate of registration;
- The Green Finance Framework;
- The Terms and Conditions; and
- The Agency Agreement.

ADDRESSES**The Issuer**

K2A Knaust & Andersson Fastigheter
AB (publ)
Nybrogatan 59
114 40 Stockholm
010-510 55 10
www.k2a.se

Issuing Agent and Joint Bookrunner

Swedbank AB (publ)
105 34 Stockholm
08-585 900 00
www.swedbank.se

Joint Bookrunner

Nordea Bank Abp, filial i Sverige
Smålandsgatan 17
105 71 Stockholm
010-157 10 00
www.nordea.se

Auditor

KPMG AB
Vasagatan 16
Box 382, 101 27 Stockholm
08-723 91 00
www.kpmg.se

Legal advisor

Advokatfirman Lindahl KB
Studentgatan 6
211 38 Malmö
040-664 66 50
www.lindahl.se

Agent

Nordic Trustee & Agency AB (publ)
Landsvägen 40
Box 7329, 103 90 Stockholm
08-783 79 00
www.nordictrustee.com

Central Securities Depository

Euroclear Sweden AB
Klarabergsviadukten 63
Box 191, 101 23 Stockholm
08-402 90 00
www.euroclear.com/Sweden



**K2A Knaust & Andersson
Fastigheter AB (publ)**

Terms and Conditions for
up to SEK 750,000,000
Senior Unsecured Floating Rate
Green Bonds

ISIN: SE0014731071

20 August 2020

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

VINGE

Privacy Notice

The Issuer and the Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer and the Agent in relation to items (a) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer or Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.k2a.se and www.nordictrustee.com.

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Terms and Conditions

1 Definitions and Construction

1.1 Definitions

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

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

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other Person or entity owning any Bonds (irrespective of whether such Person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agency Agreement**” means the agency agreement entered into on or before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it as Agent, in accordance with these Terms and Conditions.

“**Bond**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

“**Bondholder**” means the person who is registered on a Securities Account as direct registered owner (Sw. *direktregistrerad ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clauses 14.1 (*Request for a decision*), 14.2 (*Convening of Bondholders’ Meeting*) and 14.4 (*Majority, quorum and other provisions*).

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Capital Securities**” means any subordinated debt instruments (Sw. *hybridobligation*) issued by the Issuer which, entirely or partly, shall be or is permitted to be accounted for as equity in accordance with the Accounting Principles at the date of issuance of the relevant subordinated debt instrument(s).

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more persons acting in concert, acquire control over the Issuer and where “control” means:

- (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a compliance certificate substantially in the form set out in Schedule 1 (*Form of Compliance Certificate*) hereto.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

“Debt Register” means the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds in which (i) an owner of Bonds is directly registered or (ii) an owner’s holding of Bonds is registered in the name of a nominee.

“De-Listing Event” means the occurrence of an event or series of events whereby:

- (a) the shares (including both ordinary share and Preference Shares) of the Issuer (i) cease to be listed on Nasdaq Stockholm or (i) trading of the Issuer’s listed shares on Nasdaq Stockholm is suspended for a period of fifteen (15) consecutive Business Days; or
- (b) the Bonds (subsequent to having been listed pursuant to Clause 11.1.1) cease to be listed and/or admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or any other Regulated Market (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market on which the Bonds are admitted to listing or listed, as applicable, and the CSD preventing trading in the Bonds in close connection with the redemption of the Bonds).

“Event of Default” means an event or circumstance specified in Clause 12.1.

“Equity” means the aggregate book value of the Group’s total equity on a consolidated basis according to the latest Financial Report in respect of the Group.

“Equity Ratio” means, at any time, the ratio of Equity to Total Assets.

“Final Maturity Date” means the date falling three (3) years after the First Issue Date.

“Finance Charges” means, for the Reference Period, finance charges (Sw: *räntenetto*) according to the latest Financial Report.

“Finance Documents” means these Terms and Conditions and any other document designated by the Issuer and the Agent as a Finance Document.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed (including under any bank financing or Market Loan);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);

- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against, or benefit from, fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (g) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

“Financial Instruments Accounts Act” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“Financial Report” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, or the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, in each case prepared in accordance with the Accounting Principles, which shall be prepared and made available according to Clause 10.1.2 and 10.1.1 (a) and 10.1.1 (b) (*Information from the Issuer*).

“First Call Date” means the first Business Day falling twelve (12) months prior to the Final Maturity Date.

“First Issue Date” means 28 August 2020 or such other date as is agreed between the Issuing Agent and the Issuer.

“Force Majeure Event” has the meaning set forth in Clause 22.1.1.

“Green Finance Framework” means the Issuer’s green finance framework from time to time.

“Group” means the Issuer and its Subsidiaries from time to time (each a **“Group Company”**).

“**Incurrence Test**” means the Equity Ratio being equal to or higher than twenty (20.00) per cent.

“**Initial Bonds**” means the Bonds issued on the First Issue Date, being SEK 400,000,000.

“**Insolvent**” means, in respect of a relevant Person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction) suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Bondholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Coverage Ratio**” means (i) the Management Profit minus costs for central administration (Sw. *central administration hänförligt till förvaltning*) according to the latest Financial Report to (ii) Finance Charges.

“**Interest Payment Date**” means 28 August, 28 November, 28 February and 28 May of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 28 November 2020 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means STIBOR plus the Margin.

“**Issue Date**” the First Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means K2A Knaust & Andersson Fastigheter AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556943-7600.

“**Issuing Agent**” means, initially, Swedbank AB (publ) and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**Joint Bookrunners**” means, initially, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) and thereafter each other party appointed as Joint Bookrunner in accordance with these Terms and Conditions and the CSD Regulations.

“**Listing Failure Event**” means the situation where:

- (a) the Initial Bonds are not admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or any other Regulated Market within sixty (60) days following the First Issue Date (although the Issuer will use its best efforts to have the Initial Bonds admitted to listing within thirty (30) days from the First Issue Date as well as any Subsequent Bonds within thirty (30) days from such relevant Issue Date); or
- (b) any Subsequent Bonds are not admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or any other Regulated Market within sixty (60) days following the relevant Issue Date (unless Subsequent Bonds are issued before the date falling sixty (60) days after the First Issue Date in which case such Subsequent Bonds shall be admitted to listing within sixty (60) days after the First Issue Date).

“**Loan to Value**” means, in respect of each Group Company (where applicable), the ratio of its Net Interest Bearing Debt to Value.

“**Management Profit**” means the Group’s consolidated operating surplus (Sw. *driftsöverskott*) according to the latest Financial Report.

“**Maintenance Covenants**” means the financial covenants set out in Clause 11.4 (*Maintenance Covenants*) being Equity Ratio and Interest Coverage Ratio.

“**Margin**” means 3.95 per cent. *per annum*.

“**Market Loans**” means bonds, notes or other debt securities (however defined), which are or can be quoted, listed, traded or otherwise admitted to listing on a Regulated Market, a multilateral trading facility or an organised trading facility (each as defined in Directive 2014/65/EU on markets in financial instruments).

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the ability of the Issuer to comply with its obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB (Swedish Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).

“**Net Interest Bearing Debt**” means, in respect of each Group Company, its consolidated interest bearing Financial Indebtedness:

- (a) excluding any Financial Indebtedness borrowed from any Group Company;
- (b) excluding guarantees and similar arrangements; and
- (c) excluding any Subordinated Debt.

“**Net Proceeds**” means the gross proceeds from the offering of the relevant Bonds, after deduction has been made for the Transaction Costs payable by the Issuer to the Joint Bookrunners and the Issuing Agent for the services provided in relation to the placement and issuance of the relevant Bonds minus (i) in respect of the Initial Bonds, the costs incurred by the Issuer in conjunction with the issuance thereof, and (ii) in respect of any Subsequent Bonds, the costs incurred by the Issuer in conjunction with the issuance thereof.

“**Nominal Amount**” has the meaning set forth in Clause 2.3.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Preference Shares**” means preference shares (Sw. *preferensaktier*) issued by the Issuer from time to time.

“**Property**” or “**Properties**” means all real properties (Sw. *fastigheter*) and site leasehold rights (Sw. *tomträtter*) owned by a Group Company from time to time.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 13 (*Distribution of Proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December each year.

“**Reference Period**” means each period of twelve (12) consecutive calendar months ending on a Reference Date.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Securities Account**” means the account for dematerialised securities (Sw. *avstämmingsregister*) maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator) as of or around 11.00 a.m. on the Quotation Day on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;

- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subordinated Debt**” means any loan made to the Issuer, where the creditor has entered into an intercreditor or subordination agreement with the Agent whereby such loan is duly subordinated.

“**Subsequent Bonds**” means any Bonds issued after the First Issue Date on one or more occasions.

“**Subsidiary**” means, in relation to any Person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (Sw. *dotterbolag*) to such Person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

“**Total Assets**” means the consolidated book value of the Group’s total assets according to the latest Financial Report.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer (including any fees payable by the Issuer to the Joint Bookrunners for the services provided in relation to the placement and issuance of the Bonds) in connection with (i) the issuance of Initial Bonds or Subsequent Bonds and (ii) the admission to listing of the Bonds (including Subsequent Bonds) on the Sustainable Bond List of Nasdaq Stockholm or any other Regulated Market.

“**Value**” means the aggregate fair market value of Properties as set out in the most recent valuation report as prepared and delivered in accordance with Clause 11.16 (*Valuation of Properties*).

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 14.1 (*Request for a decision*), 14.3 (*Instigation of Written Procedure*) and 14.4 (*Majority, quorum and other provisions*).

1.2 Construction

- 1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (a) “**assets**” includes present and future properties, revenues and rights of every description;
 - (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (c) a “**regulation**” includes any law, regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, regulatory, authority or department;
 - (d) a provision of regulation is a reference to that provision as amended or re-enacted; and
 - (e) a time of day is a reference to Stockholm time.
- 1.2.2 An Event of Default is continuing if it has not been remedied or waived.
- 1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

- 1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

2 Status of the Bonds

- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The nominal amount of each Initial Bond is SEK 1,250,000 (the “**Nominal Amount**”). All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- 2.4 Subject to the relevant conditions precedents having been duly received by the Agent in accordance with Clause 4.2, the Issuer may, on one or several occasions, issue Subsequent Bonds, however, in each case, provided that no Event of Default is continuing or would result from such issue. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.
- 2.5 The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 750,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 14.4.2(a).
- 2.6 The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.

2.7 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3 Use of Proceeds

The Net Proceeds shall be used in accordance with the Issuer's Green Finance Framework.

4 Conditions for Disbursement

4.1 **Initial Bonds:** The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:

- (a) the Finance Documents and the Agency Agreement duly executed;
- (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Bonds, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
- (c) copies of the articles of association and certificate of incorporation of the Issuer;
- (d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is/are duly authorised to do so;
- (e) a duly executed Compliance Certificate, however, only certifying that no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the issue of the Initial Bonds; and

- (f) such other documents and evidence as is agreed between the Agent and the Issuer.
- 4.2 **Subsequent Bonds:** The Issuer shall provide to the Agent, no later than 9.00 a.m. four (4) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Bonds, the following:
 - (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith;
 - (b) copies of the articles of association and certificate of incorporation of the Issuer;
 - (c) a duly executed Compliance Certificate (including a statement that the Maintenance Covenants are met calculated *pro forma* including the Subsequent Bonds, whereby the relevant Reference Date for the ratios and calculations in respect of the Maintenance Covenants shall be the most recent Reference Date, however if such Reference Date falls after the date of the latest published Financial Report the relevant Reference Date shall be the date of the latest published Financial Report); and
 - (d) such other documents and evidence as is deemed necessary, acting reasonably, by the Agent.
- 4.3 The Agent shall confirm in writing to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 or 4.2, as the case may be have been fulfilled (or amended or waived in accordance with Clause 15 (*Amendments and Waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. three (3) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees), or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- 4.4 Following receipt by the Issuing Agent of the written confirmation in accordance with Clause 4.3, the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.3, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.

5 Bonds in Book-Entry Form

- 5.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

6 Right to Act on Behalf of a Bondholder

- 6.1 If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such person.
- 6.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in

relation to the Bonds for which such representative is entitled to represent the Bondholder.

- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 6.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

7 Payments in Respect of the Bonds

- 7.1 Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8 Interest

- 8.1 Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2%) percentage points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each person who was a Bondholder on the Record Date for the original due date. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9 Redemption and Repurchase of the Bonds

9.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Purchase of Bonds by the Issuer and any other Group Company

The Issuer and any other Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. Bonds held by the Issuer or any other Group Company may at their discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

9.3 Voluntary total redemption (call option)

- 9.3.1 The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (a) from and including the First Call Date to, but excluding, the Final Maturity Date, at an amount per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest; and
 - (b) provided that the redemption is financed in full or in part by way of an issue of one or several Market Loans, from and including the date falling six (6) months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- 9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.
- 9.4 Early redemption due to illegality (call option)**
- 9.4.1 The Issuer may redeem all, but not only some, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.4.2 The Issuer shall give notice to the Bondholders and the Agent of any redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date.
- 9.4.3 A notice of redemption in accordance with Clause 9.4.1 is irrevocable and, on the Redemption Date specified in such notice, the Issuer is bound to redeem the Bonds in full at the applicable amounts on the specified Redemption Date.

9.5 Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)

- 9.5.1 Upon the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event, each Bondholder shall during a period of thirty (30) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, the Listing Failure Event or the De-Listing Event, as the case may be, pursuant to Clause 10.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event, the Listing Failure Event or the De-Listing Event, as the case may be.
- 9.5.2 The notice from the Issuer pursuant to Clause 10.1.3 shall specify the period during which the right pursuant to Clause 9.5.1 may be exercised, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1.
- 9.5.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- 9.5.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 9.5.5 No repurchase of Bonds pursuant to this Clause 9.5 shall be required if the Issuer prior to such event occurring has given notice of a redemption pursuant to Clause

9.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

10 Information to Bondholders

10.1 Information from the Issuer

- 10.1.1 The Issuer shall make the following information available to the Bondholders by way of press release and by publication on the website of the Issuer:
- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
 - (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
 - (c) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies; and
 - (d) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to listing.
- 10.1.2 The Issuer shall prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer's securities from time to time are listed (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).
- 10.1.3 The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a Listing Failure Event or a De-Listing Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence

of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.

10.1.4 The Issuer shall deliver the Compliance Certificate to the Agent:

- (a) when a Financial Report is made available;
- (b) in connection with the issuance of any Subsequent Bonds (which requires that the Maintenance Covenants are met); and
- (c) in connection with a Restricted Payment being made (which requires that the Incurrence Test is met).

10.2 Information from the Agent

10.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent with the Issuer, the Agent is entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds.

10.3 Availability of Finance Documents

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

11 General Undertakings

So long as any Bonds remains outstanding, the Issuer undertakes to comply with the general undertakings set forth in this 11.

11.1 Admission to listing

11.1.1 The Issuer shall ensure that the Initial Bonds are admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or, if such admission to listing is not possible to obtain or maintain, admitted to listing on any other Regulated Market, within 4 months after the First Issue Date.

11.1.2 Following an admission to listing, the Issuer shall use its best efforts to maintain such listing for as long as any Bonds are outstanding (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market on which the Bonds are admitted to

listing, and the CSD preventing trading in the Bonds in close connection with the redemption of the Bonds).

11.2 Undertakings relating to the Agency Agreement

- 11.2.1 The Issuer shall act with and comply to the terms and conditions of the Agency Agreement.
- 11.2.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

11.3 Disposals

The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group (including shares in any Group Company) to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. Subject to applicable regulations, the Issuer shall upon request by the Agent, provide the Agent with any information relating to a transaction which the Agent deems necessary (acting reasonably).

11.4 Maintenance Covenants

- 11.4.1 As long as any Bond is outstanding, the Issuer shall ensure that:
 - (a) the Equity Ratio is equal to or higher than fifteen (15%) per cent. at all times; and
 - (b) the Interest Coverage Ratio is equal to or higher than one point twenty-five (1.25) at all times.
- 11.4.2 The Maintenance Covenants shall be calculated in accordance with the latest Financial Report.
- 11.4.3 The Maintenance Covenants shall be tested quarterly on each Reference Date, on the basis of the Financial Report for the period ending on the relevant Reference Date. The first test date for the Maintenance Covenants shall be 30 September 2020.

11.5 Distributions

11.5.1 The Issuer shall not, and shall procure that none of the Subsidiaries, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans or Subordinated Debt, (v) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's or the Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i)–(v) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default (other than in respect of distributions, directly or indirectly, to the Issuer) is continuing or would result from such Restricted Payment, by:

- (a) any Group Company if such Restricted Payment is made to a Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis; or
- (b) the Issuer, in respect of dividend Preference Shares;
- (c) the Issuer, in respect of interest of Capital Securities; or
- (d) the Issuer, provided that the Incurrence Test is met.

11.5.2 The figures for calculating the Incurrence Test shall be calculated based on the most recent Financial Report (and the testing date being the last day of the period covered by such Financial Report) prior to the Restricted Payment which requires that the Incurrence Test is met, calculated pro forma including (i) the Restricted Payment in question, and (ii) any Restricted Payment in accordance with item (b) or (c) above that has been paid out after the last day of the period covered by the most recent Financial Report or resolved upon but excluding, for the avoidance of doubt, any Restricted Payment made in accordance with item (a) above.

11.6 Green Finance Framework

The Issuer shall maintain a Green Finance Framework, which shall at all times be published on the Issuer's webpage and shall ensure that the proceeds from any Bonds are applied in accordance with the Green Finance Framework.

11.7 Financial Indebtedness, Market Loans and guarantees

11.7.1 The Issuer shall not incur, prolong, renew, extend or permit to be outstanding any Financial Indebtedness or guarantees other than in the form of (i) other Markets

Loans provided such Market Loans are (a) unsecured, (b) subordinated to, or rank *pari passu* with the Bonds and the Issuer's obligations under the Finance Documents, and (c) has a final maturity date or, if applicable, redemption dates or instalment dates falling after the Final Maturity Date, (ii) Subordinated Debt and Capital Securities, (iii) parent company guarantees for the benefit of a Subsidiary, subordinated to, or ranking *pari passu* with the Bonds, (iv) overdraft facilities (Sw: *checkräkningskredit*) subordinated to, or ranking *pari passu* with the Bonds, and (v) indebtedness arising under any interest rate hedging transactions or currency hedging transactions, but not any transaction for investment or speculative purposes. The limitations set forth above does not apply to any Bonds issued by the Issuer.

- 11.7.2 The Issuer shall procure that no Group Company other than the Issuer (subject to Clause 11.7.1 above) issues or permits to remain outstanding any Market Loan unless:
- (i) such Market Loan is issued on a non-recourse basis, i.e. is not secured or guaranteed by any Group Company;
 - (ii) the relevant issuing Group Company provides security over its assets for its Market Loan; and
 - (iii) the relevant issuing Group Company's Loan to Value does not exceed seventy (70) per cent. at the date of issuance of such Market Loan.

11.8 Compliance with laws etcetera

The Issuer shall, and the Issuer shall ensure that the Group Companies, (i) comply in all material respects with the applicable articles of association and all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market that may be applicable to the Issuer from time to time, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

11.9 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on at the First Issue Date.

11.10 Dealings with Related Parties

The Issuer shall, and the Issuer shall ensure that each Group Company will, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct or indirect shareholders and any other related parties at arm's length terms.

11.11 Merger and demergers

The Issuer shall not, and shall procure that no other Group Company will, enter into a merger or demerger unless such merger or demerger is not likely to have a Material Adverse Effect and, if the merger involves the Issuer, the Issuer is the surviving entity.

11.12 CSD related undertakings

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

11.13 Insurance

The Issuer shall procure that the Properties are insured to an extent which is customary for similar properties on the Swedish market with one or more reputable insurers. The insurance cover shall, *inter alia*, include full value insurance and third-party liability insurances.

11.14 Maintenance of Properties

The Issuer shall, and shall procure that each other Group Company owning a Property, keep the Property in a good state of repair and maintenance, subject to normal wear and tear and in accordance with normal market practice, and in such repair and condition as will enable the Issuer and each other Group Company owning a Property to comply in all material respects with the obligations under relevant rental agreements and in accordance all applicable laws and regulations.

11.15 Environmental

The Issuer shall, and shall procure that each other Group Company will, comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

11.16 Valuation of Properties

- 11.16.1 The Issuer shall (at its own expense), during each calendar year procure that external valuation report(s) regarding the fair market value of one-hundred (100.00) per cent. of the Properties held by the Group, and each Group Company (where applicable), is prepared by CBRE, Cushman & Wakefield, Forum Fastighetsekonomi, JLL, NewSec, Savills, Svefa, Nordier Property Advisors or another reputable independent property advisor.
- 11.16.2 The Issuer shall further procure that the results of such valuation report(s), or (if available) any subsequent comparable valuation report(s) replacing such valuation report(s), are reflected in good faith and in accordance with the Group's valuation policy in the following Financial Report(s).

12 Events of Default and Acceleration of the Bonds

- 12.1 The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 12.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as instructed to the Agent, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

(a) Non-payment

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (i) is caused by technical or administrative error; and
- (ii) is remedied within five (5) Business Days from the due date.

(b) Other obligations

The Issuer does not comply with these Terms and Conditions (other than those terms referred to in paragraph (a) above), unless the non-compliance:

- (i) is capable of remedy; and

- (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

Notwithstanding the above, any failure to comply with the undertaking set out in Clause 11.6 (*Green Finance Framework*) shall not constitute an Event of Default under any circumstance.

(c) Impossibility or illegality

It is or becomes impossible or unlawful for the Issuer to perform any of its obligations under the Finance Documents or any Finance Documents is not, or ceases to be, legal, valid, binding or enforceable.

(d) Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) of the Issuer or a Group Company, other than a solvent liquidation or reorganisation of any Group Company other than the Issuer;
- (ii) a composition, compromise, assignment or arrangement with creditors of the Issuer or a Group Company generally, other than the Bondholders;
- (iii) the appointment of a liquidator, administrator or other similar officer in respect of the Issuer or a Group Company or any of their respective assets; or
- (iv) any step analogous to item (i) above is taken in any jurisdiction in relation to the Issuer,

provided however that the assets of the Group Company referred to under item (i), (ii) (iii) and/or (iv) above, individually or in the aggregate, at the date of the relevant event(s), have a value equal to or exceeding SEK 50,000,000, calculated in accordance with the latest Financial Report, to the extent applicable, and, if not reflected in the latest Financial Report, in accordance with the principles set out therein. For the purpose of calculating asset value in accordance with this section, the aggregate value of assets being or having been subject to such measures referred to in this paragraph (d) during the term of the Bonds, calculated in accordance with the

foregoing, shall be compounded (Sw. *sammanräknas*) and included when determining the asset value at the date of the relevant event(s).

This paragraph (d) shall not apply to any corporate action, legal proceedings or other procedure or step taken which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) calendar days of commencement.

(e) Insolvency

The Issuer, or a Group Company, is, or is deemed for the purposes of any applicable regulation to be, Insolvent, provided however that the assets of the Issuer or such Group Company, individually or in the aggregate, at the date of the relevant event(s) resulting in the Issuer or such Group Company becoming or being deemed to be Insolvent, have a value equal to or exceeding SEK 50,000,000, calculated in accordance with the latest Financial Report, to the extent applicable, and, if not reflected in the latest Financial Report, in accordance with the principles set out therein.

For the purpose of calculating asset value in accordance with this section, the aggregate value of assets being or having been subject to such measures referred to in this paragraph (e) during the term of the Bonds, calculated in accordance with the foregoing, shall be compounded (Sw. *sammanräknas*) and included when determining the asset value at the date of the relevant event(s).

(f) Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 50,000,000 and is not discharged within sixty (60) calendar days.

(g) Cross-acceleration:

(i) Any Financial Indebtedness of any Group Company:

- (a) is not paid when due nor within any originally applicable grace period and the Financial Indebtedness in question therefore has been accelerated by way of the relevant creditor issuing an Acceleration Notice, or, where no explicit notice of acceleration provision exists or applies or the non-payment would have constituted final payment, where the late payment continues for

ten (10) Business Days (it being expressly acknowledged that any waiver or extension granted by the relevant creditor in respect of such payment shall result in it no longer constituting a late payment); or

- (b) is declared to be or otherwise becomes due and payable prior to its specified maturity, provided that for a Group Company (other than the Issuer) where the underlying credit agreement (however labelled) contains an explicit obligation of the creditor to issue an Acceleration Notice in order to accelerate or declare such Financial Indebtedness prematurely due, such Acceleration Notice has been issued, as a result of an event of default howsoever described under any agreement or document relating to Financial Indebtedness of any Group Company;
- (ii) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced following an Acceleration Notice (if applicable),

provided that no Event of Default will occur under this paragraph (g) if the aggregate amount of Financial Indebtedness is less than an amount equal to SEK 50,000,000 at any such relevant date.

For the purposes of this Clause 12.1(g) “**Acceleration Notice**” means any form of written acceleration or declaration issued by the creditor in accordance with the provisions (if any) of the relevant credit agreement (however labelled) necessary to be issued, pursuant to the provisions thereof, in order for such Financial Indebtedness to be accelerated or declared prematurely due.

(h) **Cessation of business**

The Issuer ceases to carry on its business or a Group Company ceases to carry on its business except if due to (i) a solvent liquidation of a Group Company or (ii) a permitted merger or demerger as stipulated in Clause 11.11 and provided in relation to a discontinuation of a Group Company, that such discontinuation is likely to have a Material Adverse Effect.

- 12.2 The Agent may not accelerate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

- 12.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 12.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 12.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 12.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*).
- 12.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 12.7 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 12.8 In the event of an acceleration of the Bonds in accordance with this Clause 12, up to, but excluding, the First Call Date the Issuer shall redeem all Bonds at an amount per Bond equal to 101.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest, and thereafter, as applicable considering when the acceleration occurs, the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*).

13 Distribution of Proceeds

13.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 16.2.5, and (iv) any costs and expenses incurred by the Agent that have not been reimbursed by the Issuer in accordance with Clause 14.4.11, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (e) above shall be paid to the Issuer.

13.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1(a).

13.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the

other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.

- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 7.1 shall apply.

14 Decisions by Bondholders

14.1 Request for a decision

- 14.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 14.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 14.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.
- 14.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 14.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 14.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the

Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall provide the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

- 14.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 14.2 (*Convening of Bondholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 14.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 16.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 14.2. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 14.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 14.1.5 or 14.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

14.2 Convening of Bondholders' Meeting

- 14.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 14.2.2 The notice pursuant to Clause 14.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an

amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

- 14.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 14.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

14.3 Instigation of Written Procedure

- 14.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 14.3.2 A communication pursuant to Clause 14.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (ii) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (iii) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 14.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 14.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 14.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 14.4.2 and 14.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant

to Clause 14.4.2 or 14.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

14.4 Majority, quorum and other provisions

14.4.1 Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Bondholder:

- (a) on the Business Day specified in the notice pursuant to Clause 14.2.2, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 14.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

14.4.2 The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 14.3.2:

- (a) the issue of any Subsequent Bonds, if the Total Nominal Amount of the Bonds exceeds, or if such issue would cause the Total Nominal Amount of the Bonds to at any time exceed, SEK 750,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.6 to 2.8;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
- (d) a change to the Interest Rate or the Nominal Amount;
- (e) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of Proceeds*);

- (f) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 14.4 (*Majority, quorum and other provisions*);
 - (g) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
 - (h) a mandatory exchange of the Bonds for other securities; and
 - (i) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 12 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- 14.4.3 Any matter not covered by Clause 14.4.2 shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 14.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 15.1(a) or (c)), an acceleration of the Bonds.
- 14.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 14.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 14.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 14.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 14.2.1) or initiate a second Written Procedure (in accordance with Clause 14.3.1), as the case may be, provided that the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 14.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 14.2.1 or second

Written Procedure pursuant to Clause 14.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 14.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure other than in relation to an acceleration of the Bonds pursuant to Clause 12 (*Events of Default and Acceleration of the Bonds*).

- 14.4.7 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.4.8 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 14.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Bondholders.
- 14.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.4.12 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.

- 14.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

15 Amendments and Waivers

- 15.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders as a group;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
 - (d) has been duly approved by the Bondholders in accordance with Clause 17 (Decisions by Bondholders) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.
- 15.2 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 10.3 (*Availability of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 15.1(a) or (c), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.
- 15.3 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

16 The Agent

16.1 Appointment of the Agent

- 16.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 16.1.2 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 16.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 16.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 16.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

16.2 Duties of the Agent

- 16.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents.
- 16.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an

advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.

- 16.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 16.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 16.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 16.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents, and (iii) in connection with any Bondholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of Proceeds*).
- 16.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 16.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, (iii) the financial condition of the Issuer and the Group, or (iv) whether any other event specified in any Finance Document has occurred or is expected to occur. Should the Agent not receive such

information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

- 16.2.9 The Agent shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in these Terms and Conditions and as otherwise agreed between the Issuer and the Agent, and (ii) verify that the Issuer according to its reporting in the Compliance Certificate meets the Maintenance Covenants, and (iv) if provided in connection with a Restricted Payment (which requires that the Incurrence Test is met), that the Incurrence Test is met as per the relevant test date, including calculations and figures in respect of the Incurrence Test, calculated *pro forma* including the Restricted Payment. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 16.2.9.
- 16.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 16.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 16.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 16.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 16.2.13 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 16.2.12.

16.3 Liability for the Agent

- 16.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 16.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 16.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 16.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 16.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

16.4 Replacement of the Agent

- 16.4.1 Subject to Clause 16.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent (which must be an independent financial institution or other reputable company which regularly acts as agent under debt issuances), at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 16.4.2 Subject to Clause 16.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 16.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 16.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.
- 16.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 16.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 16.4.4 (ii) having lapsed.
- 16.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 16.4.8 In the event that there is a change of the Agent in accordance with this Clause 16.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

17 The Issuing Agent

- 17.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 17.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Bonds.
- 17.3 The Issuing Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

18 The CSD

- 18.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 18.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the admission to listing of the Bonds on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

19 No Direct Actions by Bondholders

- 19.1 A Bondholder may not take any steps whatsoever against any Group Company to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy in any jurisdiction of any Group Company in relation to any of the obligations and liabilities of such Group

Company under the Finance Documents. Such steps may only be taken by the Agent.

- 19.2 Clause 19.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 16.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 16.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 16.2.13 before a Bondholder may take any action referred to in Clause 19.1.
- 19.3 The provisions of Clause 19.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure Event or a De-Listing Event (put option)*) payments which are due by the Issuer to some but not all Bondholders.

20 Prescription

- 20.1 The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- 20.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

21 Communications and Press Releases

21.1 Communications

21.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time, and if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, or, to such address as notified by the Issuer to the Agent from time to time, and if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Bondholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

21.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 21.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 21.1.1, or, in case of email, when received in readable form by the email recipient.

21.1.3 Any notice or other communication pursuant to the Finance Documents shall be in English. However, financial reports published pursuant to Clause 10.1.1(a) and (b) may be in Swedish.

- 21.1.4 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

21.2 Press releases

- 21.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.4 (*Early redemption due to illegality (call option)*), 10.1.3, 12.3, 14.2.1, 14.3.1, 14.4.13 and 15.2 shall also be published by way of press release by the Issuer.
- 21.2.2 In addition to Clause 21.2.1, if any information relating to the Bonds or the Issuer contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release (to the extent it is able to do so).

22 Force Majeure

- 22.1.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 22.1.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 22.1.3 The provisions in this Clause 22 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

23 Governing Law and Jurisdiction

- 23.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

- 23.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

**K2A KNAUST & ANDERSSON
FASTIGHETER AB (PUBL)**
as Issuer

Name:

Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

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

Name:

Name:

Schedule 1
Form of Compliance Certificate

To: Nordic Trustee & Agency AB (publ) as Agent
From: K2A Knaust & Andersson Fastigheter AB (publ)
Dated: [●]

Dear Sirs,

Terms and conditions for K2A Knaust & Andersson Fastigheter AB with respect to the up to SEK 750,000,000 senior unsecured floating rate green Bonds due 28 August 2023 (the “Terms and Conditions”)

- (1) We refer to the Terms and Conditions. This is a Compliance Certificate with respect to the Reference Period [] – []. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- (2) [We confirm that:
 - (a) the Equity Ratio on the Reference Date [date], was [●]; and
 - (b) the Interest Coverage Ratio on the Reference Date [date] was [●].We confirm that the Maintenance Covenants are met.]

[We confirm that the Equity Ratio is equal to or higher than (20.00) per cent. calculated in accordance with the calculation principles set out in Clause 11.5.1(d) of the Terms and Conditions.]¹
- (3) We have attached calculations and figures establishing the figures in paragraph (2).
- (4) We confirm that no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) [or from the issue of the [Initial/Subsequent Bonds]² [or from the making of the Restricted Payment consisting of [specify Restricted Payment for the relevant situation].³ [*If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.*]
- (5) [Attached hereto you will find copies of any notices sent to the Regulated Market.]

¹ Only to be included if this compliance certificate is provided in connection with the Incurrence Test.

² If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

³ Only to be included if this compliance certificate is provided in connection with the Incurrence Test.

K2A KNAUST & ANDERSSON
FASTIGHETER AB (PUBL)
as Issuer

Name:

Name: