



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

Prospectus regarding the admission to trading of  
SEK 450,000,000 Subordinated Perpetual Green  
Floating Rate Callable Capital Securities

ISIN: SE0015407507

This prospectus was approved by the Swedish Financial Supervisory Authority on 24  
March 2021.

*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no longer valid.*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 Capital Securities, 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 450,000,000 subordinated perpetual green floating rate callable capital securities with ISIN SE0015407507 (the “**Initial Capital Securities**”) issued on 21 January 2021 (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 Capital Securities under the Terms and Conditions in an aggregate amount of SEK 300,000,000. 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 Capital Securities.

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 Capital Securities 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 Capital Securities are therefore required to inform themselves about, and to observe, such restrictions. The Capital Securities 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 Capital Securities 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 Capital Securities under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Capital Securities in the future. Furthermore, the Issuer has not registered the Capital Securities under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Capital Securities 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 Capital Securities may not be a suitable investment for all investors and each potential investor in the Capital Securities 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 Capital Securities, the merits and risks of investing in the Capital Securities 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 Capital Securities and the impact other Capital Securities 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 Capital Securities; (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.

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 Capital Securities 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 5,783 as of 31 December 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 31 December 2020, the Issuer had 104 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 estate 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. According to the Issuer's year-end report for the period 1 January 2020 to 31 December 2020, the annual rental value for this property is MSEK 12.1 per year, which corresponds to approximately 5 per cent. of the Group's total rental value. 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 per cent. of the Issuer's total lettable area as of 31 December 2020 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 ten 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 the rent 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 many 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 Capital Securities. 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 Capital Securities 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 amortization 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*) were MSEK 61.9 during 2020, according to the year-end report for

the period 1 January 2020 to 31 December 2020. Based on an interest sensitivity analysis (Sw. *känslighetsanalys räntekostnader*) regarding cash flow in the same report, a +/- 1 % per annum change will affect the Group's annual cash flow with approximately +/- MSEK 21.

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 31 December 2020, the Group's interest-bearing liabilities amounted to MSEK 4,192 of which MSEK 1,117 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 CAPITAL SECURITIES

### 1.4 Risks relating to the nature of the Capital Securities

#### 1.4.1 *The Capital Securities are subordinated to most of the Issuer's liabilities*

The Capital Securities represent deeply subordinated debt obligations of the Issuer. This means that if the Issuer is subject to any dissolution, winding-up, liquidation, reorganisation (Sw. *företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings, the Holders normally receive payment after all other creditors have been paid in full. Hence, in relation to an Issuer Winding-up or a reorganisation of the Issuer, Holders' claims for the principal amount of their Capital Securities and any accrued and unpaid interest thereon will rank *pari passu* with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities. Furthermore, Holders' claims will rank junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness. In relation to an Issuer Winding-up, claims will however rank in priority to all present and future claims in respect of the shares of the Issuer and any other obligation of the Issuer expressed to rank junior to the Capital Securities or any Parity Securities.

If the Issuer becomes subject to any dissolution, winding-up, liquidation, administrative or other bankruptcy or insolvency proceedings, the Issuer will be required to pay creditors with higher ranking claims in full before it can make any payments on the Capital Securities. If this occurs, there is a risk that the Issuer does not have enough assets remaining after these payments to pay amounts due under the Capital Securities, which presents a risk for a single Holder.

Further, in the event of a reorganisation, unsecured debt could be subject to a mandatory write-down provided that a qualified majority of the unsecured creditors has approved such write-down. There is a risk that claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under a reorganisation of the Issuer. Consequently, there is a risk that the Capital Securities be, partly or completely, written off, resulting in Holders not recovering their investment in the Capital Securities.

In the event of a shortfall of funds upon the occurrence of an Issuer Winding-up and/or any other dissolution, winding-up, liquidation, administrative or other bankruptcy or insolvency proceedings of the Issuer, there is a risk that a Holder may lose all or most of its investment in the Capital Securities and that a Holder may not receive any return of the principal amount nor any accrued interest (including Deferred Interest). By virtue of such subordination, payments to a Holder will, in the events described in the Terms and Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied. A Holder may therefore recover less than the holders of unsubordinated or other subordinated liabilities of the Issuer that are senior to the Capital Securities.

Subject to applicable law, no remedies other than those set out in Clause 15 (*Default and Enforcement*) of the Terms and Conditions shall be available to the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities. Such remedies are limited to certain

proceedings and enforcement following a default under the Terms and Conditions. Any potential investor should therefore be aware of that an investment in the Capital Securities entails a risk that the investor loses all or part of its investment if the Issuer becomes liquidated, bankrupt, insolvent, carries out a reorganisation or is wound-up.

The Issuer deems the probability of risks related to the subordination of the Capital Securities materialising to be *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

#### 1.4.2 *Holders of the Capital Securities have very limited rights in relation to the enforcement of payments on the Capital Securities*

The Holders' rights of enforcement in respect of payments under the Capital Securities are subject to significant limitations. If a default is made by the Issuer for a period of 30 calendar days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, the rights of the Holders in respect of the Capital Securities are limited to instituting proceedings for an Issuer Winding-up, and the Holders may prove and/or claim in respect of the Capital Securities in an Issuer Winding-up. In addition, the Holders shall not be entitled to accelerate payments of interest or principal under the Capital Securities in any circumstances outside an Issuer Winding-up, which presents a risk that the Holders may not recover their investment in the Capital Securities.

Furthermore, whilst the Holder may institute other proceedings against the Issuer to enforce the terms of the Capital Securities, the Issuer shall not, by virtue of such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. Accordingly, the Holders' rights of enforcement in respect of payments under the Capital Securities are very limited.

The Issuer deems the probability of risks related to the Holders' rights in relation to the enforcement of payments of the Capital Securities materialising to be *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

#### 1.4.3 *The Issuer may defer Interest Payments*

The Issuer may, at any time and at its sole discretion (except on an Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice to the Holders, the Agent and the Issuing Agent before the relevant Interest Payment Date, elect to defer any Interest Payment, in whole or in part, which would otherwise be due on any Interest Payment Date. If interest is deferred in accordance with the Terms and Conditions, the Issuer has no obligation to make such payment on the relevant Interest Payment Date and any such non-payment of interest does not constitute a default or any other breach of obligations under the Capital Securities.

Deferral of Interest Payments may have an adverse effect on the market price for the Capital Securities. In addition, the availability to defer interest may result in that the market price for the Capital Securities is more volatile than otherwise would be the case for market prices of other securities in respect of which interest accrues over pre-determined interest periods. Furthermore, the possibility to defer Interest Payments may expose the Holders to fluctuations in the Issuer's

financial position and may result in that the yields from the Capital Securities are less foreseeable.

The Issuer deems the probability of risks related to the deferral of Interest Payments materialising to be *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

#### 1.4.4 *The Capital Securities have no maturity date*

The Capital Securities are perpetual meaning that the Capital Securities have no specified maturity date. The Issuer is not obliged to redeem the Capital Securities at any time and Holders have no option to redeem the Capital Securities at any time. The Issuer may only redeem the Capital Securities in the circumstances described in Clause 11 (*Redemption and Repurchase of the Capital Securities*) of the Terms and Conditions and, to the extent applicable, subject to such preconditions as set out in Clause 12 (*Preconditions to Special Event Redemption or Change of Control Event Redemption*).

Any potential investor should be aware that it may be required to bear financial risks of the investment in the Capital Securities for a long period of time and may not recover their investment before a redemption of the Capital Securities (if any) at the discretion of the Issuer (in particular if there is no active trading on the secondary market). Each potential investor should therefore be aware that there is a risk that it may lose the whole, or parts of, its investment in the event the Issuer chooses to not redeem the Capital Securities.

The Issuer deems the probability of risks related to the perpetuity of the Capital Securities materialising to be *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

#### 1.4.5 *Redemption and Repurchase of the Capital Securities*

Upon the occurrence of an Accounting Event, a Change of Control Event, a Rating Event, a Substantial Repurchase Event, a Tax Deductibility Event or a Withholding Tax Event (or any combination of the foregoing) the Issuer may redeem the Capital Securities in whole, but not some only, at any time together with any Deferred Interest and any accrued and unpaid interest (however, please note that the occurrence of any of these events do not entitle any of the Holders to enforce and accelerate the Capital Securities).

Furthermore, the Issuer may elect to redeem the Capital Securities in whole, but not some only, at par on the First Call Date or on any Interest Payment Date falling thereafter. The Issuer or any Group Company may, subject to applicable law, at any time and at any price purchase Capital Securities on the market or in any other way and Capital Securities held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes, any Subsequent Capital Securities). In addition, upon the occurrence of a Change of Control Event, the Issuer may redeem the Capital Securities in whole to a certain redemption amount defined in the Terms and Conditions.

If the Capital Securities are redeemed, Holders are entitled the right to receive a redemption amount, which may exceed the nominal amount of the Capital Securities. There is a risk that the market value of the Capital Securities is higher than the amount received at redemption and that it may not be possible for Holders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Capital Securities and may only be able to do so at a significantly lower rate.

The Issuer deems the probability of risks related to redemption and repurchase of Capital Securities materialising to be *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

## **1.5 Other risks relating to the Capital Securities**

### **1.5.1 *European Benchmark Regulation***

The process for determining interest-rate benchmarks, such as STIBOR, is subject to a number of statutory rules and other regulations. Some of these rules and regulations have already been implemented, whilst some are due to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) (the “**Benchmark Regulation**”). The Benchmark Regulation regulates the provision of benchmarks, the contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the European Union.

Since the Benchmark Regulation has only been applicable for a limited period of time, the effects of the regulation are difficult to assess. There is a risk that the Benchmark Regulation may affect how certain benchmarks are calculated and how they will develop which, in turn, could lead to increased volatility in relation to STIBOR and any other Alternative Base Rate and/or Successor Base Rate, and, thus, in relation to the interest rate of the Capital Securities. There is also a risk that increased administrative requirements may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this were to happen in respect of STIBOR and any other Alternative Base Rate and/or Successor Base Rate it could potentially be detrimental to the Holders. More specifically, should STIBOR be discontinued or cease to be provided, the Terms and Conditions provides for an alternative calculation of the interest rate for the Capital Securities. There is a risk that such alternative calculation results (including the determination of any Alternative Base Rate and/or Successor Base Rate) in interest payments less advantageous for the Holders or that such interest payment do not meet market interest rate expectations.

The Issuer deems the probability of risks related to the floating rate structure of the Capital Securities materialising to be *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

### 1.5.2 *Accounting risks relating to the treatment of the Capital Securities*

The Capital Securities are treated as equity pursuant to IAS 32 Financial Instruments, and consequently, the Capital Securities will not be accounted for as financial liabilities. However, the International Accounting Standards Board (“IASB”) published the discussion paper “Financial Instruments with Characteristics of Equity” in June 2018 (the “**Discussion Paper**”). The Discussion Paper sets out the IASB’s preferred approach to classification of a financial instrument such as the Capital Securities, from the perspective of an issuer, as a financial liability or an equity instrument. The changes to the accounting standards addressed in the Discussion Paper would, if implemented, most likely lead to financial instruments such as the Capital Securities being classified as financial liabilities rather than equity as per the current accounting standards. The IASB has yet to formally announce their decision on the direction of the project regarding the potential changes to the accounting standard. Hence, at the time of this Prospectus it is unclear to what extent the proposals in the Discussion Paper will result in changes to the accounting standard.

If the changes to the accounting standard proposed in the Discussion Paper would be implemented as currently proposed in the Discussion Paper, it would most likely lead to the Capital Securities being classified as financial liabilities of the Issuer, which in turn would have a materially adverse effect on the Issuer’s financial position due to an increase of financial liabilities. Further, such change of accounting standards most likely lead to the occurrence of an Accounting Event (see further under the heading “*Redemption and Repurchase of the Capital Securities*” above).

The Issuer deems the probability of risks related to the changes in its applicable accounting standards to be *medium*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

### 1.5.3 *Listing of the Capital Securities, liquidity and the secondary market*

Pursuant to the Terms and Conditions, the Issuer shall use its best efforts (without assuming any legal or contractual obligation) to apply for the Capital Securities to be admitted to listing on the Sustainable Bond List of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market. There is a risk that the Capital Securities will not be admitted to listing within the provided time period (as set out in the Terms and Conditions), or at all, in which case a Holder will not be entitled to cancel, withdraw or otherwise rescind its investment in the Capital Securities, or claim compensation from any person, on the basis of an argument that the Capital Securities have not been listed on a Regulated Market.

In addition, if the Capital Securities are not listed within a certain time after the relevant Issue Date, there is a risk that the Capital Securities will not fulfill the requirements for being placed at an investment savings account (Sw. *investeringssparkonto*) which may have a material adverse effect on a Holder’s tax position with respect to the Capital Securities.

The Issuer deems the probability of risks related to listing of the Capital Securities, liquidity and the secondary market materialising to be *low*. If the risks

would materialise, the Issuer considers the potential negative impact to be *medium*.

#### 1.5.4 *No restriction on issuing or guaranteeing debt*

There is no restriction in the Terms and Conditions in relation to issuing or guaranteeing debt ranking senior to or *pari passu* with the Capital Securities. The Issuer and its subsidiaries may incur additional indebtedness or issue guarantees in respect of indebtedness or guarantees of third parties. Incurring such additional indebtedness may reduce the amount (if any) recoverable by Holders if the Issuer is subject to any dissolution, winding-up, liquidation, re-construction, administrative or other bankruptcy or insolvency proceedings and may increase the likelihood of that Interest Payments under the Terms and Conditions are deferred, at the potential detriment on a Holder.

The Issuer deems the probability of risks related to the lack of restriction on issuing or guaranteeing debt materialising to be *low*. If the risks would materialise, the Issuer considers the potential negative impact to be *low*.

#### 1.5.5 *Insolvency of subsidiaries and structural subordination*

A significant part of the Issuer's revenues relates 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 Capital Securities 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*.

#### 1.5.6 *Compliance with the Green Finance Framework*

The Capital Securities are defined as "green" according to the Issuer's Green Finance Framework. The Green Finance Framework, as well as market practice for green Capital Securities, 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 Capital Securities. The Issuer's failure to comply with the Green Finance Framework does not constitute a default under the Terms and Conditions and would not permit Holders to exercise any early redemption rights, rights of acceleration 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 Capital Securities due to investors perceiving the Capital Securities as a less favourable investment.

The Issuer deems the probability of risks related to green Capital Securities 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 Capital Securities and the performance of its obligations relating thereto. The issuance of the Initial Capital Securities was authorised by resolutions taken by the board of directors of the Issuer on 11 January 2021 and the Initial Capital Securities were subsequently issued in the amount of SEK 450,000,000 on 21 January 2021.

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.

24 March 2021

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

*The board of directors*

### 3 THE CAPITAL SECURITIES IN SUMMARY

The following summary of the Capital Securities contains a general and broad description of the Capital Securities. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Capital Securities, 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 Capital Securities: SEK 450,000,000.

Type: Subordinated perpetual green floating rate callable capital securities.

Nature of the Capital Securities: The Capital Securities are debt instruments (Sw. *skuldförbindelser*) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer are subordinated as described below.

In the event of a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities, (ii) in priority to all present and future claims in respect of the shares of the Issuer and any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities, and (iii) junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.

In the event of a company reorganisation (Sw. *företagsrekonstruktion*) of the Issuer under the

Swedish Company Reorganisation Act, the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities, and (ii) junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.

Governing law and jurisdiction:	The Capital Securities 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> ).
ISIN:	SE0015407507.
Currency:	SEK.
First Issue Date:	21 January 2021.
Nominal Amount:	SEK 1,250,000.
Price of Initial Capital Securities:	100 per cent. of the Nominal Amount.
Number of Capital Securities:	360 Capital Securities.
Subsequent issue:	As of the date of this Prospectus, another SEK 300,000,000 Capital Securities may be issued under the Terms and Conditions. This Prospectus is prepared solely for the admission to trading of the Initial Capital Securities on the Sustainable Bond List of Nasdaq Stockholm. In case of subsequent issues of Capital Securities, a new prospectus will be prepared for the admission to trading of such Subsequent Capital Securities.
No maturity:	The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in Clause 11 ( <i>Redemption and Repurchase of Capital Securities</i> ). The Capital Securities are not redeemable at the option of the Holders at any time.
Transferability:	The Capital Securities are freely transferable but the Holders may be subject to purchase or transfer

restrictions with regard to the Capital Securities, as applicable, under local regulation to which a Holder may be subject. Each Holder 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](http://www.k2a.se).

Estimated Net Proceeds: MSEK 442

Interest Rate: Subject to any adjustments by an application of Clause 18 (*Replacement of Base Rate*), the sum of the Initial Interest Rate or the Step-up Interest Rate (including the Change of Control Event Step-up in accordance with Clause 9.4 (*Step-up after a Change of Control Event*)) (as applicable), provided that if the applicable Interest Rate falls below zero, the Interest Rate will be deemed to be zero.

Initial Interest Rate means the Base Rate plus the applicable Margin. The Step-up Interest Rate means the Base Rate plus the applicable Step-up Margin.

The Margin equals:

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the date falling ten years and three months (10.25 years) after the First Issue Date, 5.95 per cent. *per annum*;
- (b) in respect of the period from (but excluding) the date falling ten years and three months (10.25 years) after the First Issue Date to (and including) the date falling twenty-five years and three months (25.25 years) after the First Issue Date, 6.20 per cent. *per annum*; and
- (c) in respect of the period from (but excluding) the date falling twenty-five years and three months (25.25 years) after the First Issue Date to (and including) the Redemption Date, 6.95 per cent. *per annum*.

The Step-up Margin equals:

- (a) in respect of the period from (but excluding) the First Call Date to (and including) the date falling

ten years and three months (10.25 years) after the First Issue Date, 8.45 per cent. *per annum*;

(b) in respect of the period from (but excluding) the date falling ten years and three months (10.25 years) after the First Issue Date to (and including) the date falling twenty-five years and three months (25.25 years) after the First Issue Date, 8.70 per cent. *per annum*; and

(c) in respect of the period from (but excluding) the date falling twenty-five years and three months (25.25 years) after the First Issue Date to (and including) the Redemption Date, 9.45 per cent. *per annum*.

The Base Rate equals STIBOR (3 months) or any reference rate replacing STIBOR in accordance with Clause 18 (*Replacement of Base Rate*) of the Terms and Conditions.

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).

STIBOR:

“**STIBOR**” means:

- a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Base Rate Administrator 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:** 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 accrues during an Interest Period. Subject to Clause 10 (*Optional Interest Deferral*) of the Terms and Conditions, payment of Interest in respect of the Capital Securities shall be made to the Holders on each Interest Payment Date for the preceding Interest Period.

**Interest Payment Dates:** Means, subject to Clause 10 (*Optional Interest Deferral*) of the Terms and Conditions, 21 January, 21 April, 21 July and 21 October 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 Capital Securities shall be 21 April 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

**Payments in respect of Capital Securities:** Any payment or repayment under the Terms and Conditions shall be made to such Person who is registered as a Holder 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.

The Issuer is not liable to gross-up any payments under the Terms and Conditions by virtue of any withholding tax, public levy or the similar.

Deferral of Interest Payments:

The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice of such election to the Holders, the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above. Such deferral shall not constitute a default according to the Terms and Conditions. See further Clause 10.1 (*Deferral of Interest Payments*) of the Terms and Conditions.

Optional settlement of Deferred Interest:

Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders, the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest. Any such notice shall state the date fixed for the payment and the relevant Record Date and is irrevocable.

Mandatory settlement of deferred Interest:

The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates: (a) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs, (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period, and (c) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 11 (*Redemption and Repurchase of the Capital Securities*) or Clause 15 (*Default and Enforcement*) of the Terms and Conditions. See further Clause 10.3 (*Mandatory settlement of deferred Interest*) of the Terms and Conditions.

Default Interest:

If the Issuer fails to pay any amount payable by it pursuant to certain provisions in 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 applicable Interest Rate. See further Clause 9.5 (*Default Interest*) of the Terms and Conditions.

Prescription:	The right to receive repayment of the principal of the Capital Securities 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 Holders' right to receive payment has been prescribed and has become void.
Purchase of Capital Securities by the Issuer and any other Group Company:	<p>The Issuer and any other Group Company may, subject to applicable regulations, at any time and at any price purchase Capital Securities on the market or in any other way.</p> <p>Capital Securities held by the Issuer or any other Group Company may at their discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes, any Subsequent Capital Securities).</p>
Voluntary total redemption:	The Issuer may redeem all, but not only some, of the outstanding Capital Securities in full on the First Call Date or on any Interest Payment Date falling thereafter at a price per Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.
Voluntary total redemption due to a Special Event:	Upon a Special Event occurring, the Issuer may redeem all, but not some only, of its Capital Securities at any time at a price per Capital Security equal to (a) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount, or (b) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount, in each case together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.
Voluntary redemption due to a Change of Control Event:	Upon (a) a Change of Control Event (with no Positive Rating Event having occurred prior to the Change of Control Event), or (b) a Change of Control Event and, if a Positive Rating Event has occurred prior to the

Change of Control Event, a Rating Downgrade occurs in respect of that Change of Control Event within the Change of Control Period, the Issuer may, no later than the Change of Control Event Step-up Date, redeem all, but not some only, of its Capital Securities at an amount equal to (i) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount, and (ii) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount, in each case together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.

Step-up Interest Rate: Subject to Clause 9.4 (*Step-up after a Change of Control Event*) and Clause 18 (*Replacement of Base Rate*) of the Terms and Conditions and provided a Positive Rating Event has not occurred prior to the First Call Date, commencing from (but excluding) the First Call Date, the Interest Rate in respect of each Interest Period shall be the aggregate of the applicable Step-up Margin and the Base Rate in relation to the Capital Securities.

Step-up after a Change of Control Event: Notwithstanding any other provision of Clause 9 in the Terms and Conditions, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 11.5 (*Voluntary redemption due to a Change of Control Event*), the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of Clause 9, on the Capital Securities shall be increased by 500 basis points *per annum* with effect from (but excluding) the Change of Control Event Step up Date.

Admission to listing: The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that (i) the Initial Capital Securities 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 thirty (30) calendar days after the First Issue Date, (ii) any Subsequent Capital Securities 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 thirty (30) calendar days following the relevant Issue Date (unless such Subsequent Capital Securities are issued before the date falling thirty (30) calendar days after the First Issue Date in which case

such Subsequent Capital Securities shall be admitted to listing within thirty (30) calendar days after the First Issue Date), and (iii) following an admission to listing, such listing is maintained for as long as any Capital Securities 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 Capital Securities are admitted to listing, and the CSD preventing trading in the Capital Securities in close connection with the redemption of the Capital Securities).

An application will be made to list the Initial Capital Securities on the Sustainable Bond List of Nasdaq Stockholm in connection with the SFSA's approval of this Prospectus. The earliest date for admitting the Initial Capital Securities to trading on Nasdaq Stockholm is on or about 26 March 2021. The total expenses of the admission to trading of the Initial Capital Securities are expected to estimate to SEK 175 000.

Default and  
Enforcement:

Without prejudice to the Issuer's right to defer the payment of interest under Clause 10 (*Optional Interest Deferral*), if a default is made by the Issuer for a period of thirty (30) calendar days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Agent (acting on instructions of the Holders in accordance with these Terms and Conditions) or (subject to Clause 22.2 of the Terms and Conditions) any Holder may institute proceedings for an Issuer Winding-up provided that such default is still continuing. See further Clause 15 (*Default and Enforcement*) of the Terms and Conditions.

The Agent (acting on the instructions of the Holders in accordance with the Terms and Conditions) may institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Capital Securities but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Decisions by  
Holders:

Any request from the Issuer or a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Holders, be made by them jointly) for a decision

by the Holders on a matter relating to the Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way a Written Procedure, as determined by the Agent.

Holders' Meeting: The Agent shall convene a Holders' Meeting by way of notice to the Holders 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 Holder(s) (or such later date as may be necessary for technical or administrative reasons).

Written Procedure: The Agent shall instigate a Written Procedure by way of sending a communication to the Holders 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 Holder(s) (or such later date as may be necessary for technical or administrative reasons).

The CSD and registration of the Capital Securities: The Issuer's central securities depository and registrar in respect of the Capital Securities 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.

The Capital Securities have been registered for the Holders on their respective Securities Accounts and no physical Capital Securities will be issued. Accordingly, the Capital Securities are registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator. The Debt Register kept by the CSD shall constitute conclusive evidence of the persons who are Holders and their holdings of Capital Securities.

Agent: Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, or another party replacing it as Agent, in accordance with the Terms and Conditions.

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 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](http://www.k2a.se).

Issuing Agent:	Initially Swedbank AB (publ) and thereafter each other party appointed as Issuing Agent in accordance with the Terms and Conditions and the CSD Regulations.
Joint Bookrunners:	Initially Nordea Bank Abp and Swedbank AB (publ) and thereafter each other party appointed as Joint Bookrunner in accordance with the Terms and Conditions and the CSD Regulations.
Benchmark Regulation:	Amounts payable under the Capital Securities 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](http://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, Karlstad, Kiruna, Lund, Sundsvall, Umeå, Uppsala, Växjö and Örebro.

As of 31 December 2020, the Issuer's property portfolio consisted of a total of 2,981 rental apartments. The total lettable area amounted to approximately 111.3 thousand square meters, the fair value of the investment properties amounted to approximately MSEK 5,783 and the total rental value amounted to approximately MSEK 244. Rental housing constituted the largest category, corresponding to approximately 45 per cent. of the rental value, while student housing constituted approximately 42 per cent. of the rental value and properties for public use approximately 13 per cent. Geographically, Stockholm and Mälardalen constituted the Issuer's largest market with 51 per cent. of the rental value, while university cities accounted for 37 per cent. of the rental value and other locations 12 per cent. of the rental value.

As of 31 December 2020, the Issuer had projects with the purposes of producing 4,353 apartments with an estimated total rental value of approximately MSEK 452. As of the aforementioned date, 1,361 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.

#### **4.3 Organisational structure**

As per the date of the Prospectus, Issuer is the parent company of 72 directly or indirectly owned subsidiaries. All subsidiaries, except for Svenska Studenthus i Linköping AB, K2A Samhällsfastigheter i Karlstad AB and Grännäs Trähus AB and its subsidiaries are fully owned by the Issuer. 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. For example, 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 31 December 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	-	2,200,707	-	-	11.7	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	-	1,221,374	-	58 070	6.8	3.4
Swedbank Försäkring	-	609,488	-	67 075	3.6	1.8
Ludwig Holmgren	152,400	313,346	-	2 032	2.5	4.8
Verdipapirfond Odin Ejendom	-	437,995	-	-	2.3	1.2
Avanza Pension	-	198,410	-	173 911	2.0	1.0
<b>Total for the ten largest shareholders</b>	<b>2,120,928</b>	<b>11,730,179</b>	<b>1,361,232</b>	<b>446,135</b>	<b>83.0</b>	<b>92.4</b>
Others	-	1,869,821	-	1,358,665	17.0	7.6
<b>Total</b>	<b>2,120,928</b>	<b>13,600,000</b>	<b>1,361,232</b>	<b>1,804,800</b>	<b>100</b>	<b>100</b>

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 <sup>1</sup>
Johan Ljungberg	Board member	2017	Yes	No <sup>2</sup>
Claes-Henrik Julander	Board member	2014	Yes	No <sup>3</sup>
Ingrid Lindquist	Board member	2019	Yes	Yes
Ludwig Holmgren	Board member	2017	Yes	Yes
Sten Gejrot	Board member	2017	No <sup>4</sup>	Yes
Johan Knaust	Board member and CEO	2013	No <sup>5</sup>	No <sup>6</sup>

#### 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.

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<sup>1</sup> Johan Thorell controls (private and/or through companies) more than ten per cent. of the shares and/or votes in the Issuer.

<sup>2</sup> Johan Ljungberg controls (private and/or through companies) more than ten per cent. of the shares and/or votes in the Issuer.

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

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

<sup>5</sup> Johan Knaust is the CEO of the Issuer.

<sup>6</sup> Johan Knaust controls (private and/or through companies) more than ten per cent. 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 Carneo 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
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: 300 class B shares, held privately and/or through companies.

**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: 1 000 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 Capital Securities. 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 Capital Securities, there have been no significant changes to the Issuer's financial performance or position since 31 December 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 Holders.

### **6.5 Historical financial information**

The Issuer's consolidated and audited annual reports for the financial years ended 31 December 2018 and 31 December 2019, respectively, as well as the Issuer's unaudited year-end report for the period of 1 January 2020 to 31 December 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 Capital Securities or covered elsewhere in the Prospectus.

**The Issuer's year-end report for the period 1 January 2020–31 December 2020:**

1. consolidated income statement, page 21;
2. consolidated balance sheet, page 22;
3. consolidated cash flow statement, page 24;
4. consolidated statement of changes in equity, page 23;
5. the notes, page 28-31; and
6. accounting policies, page 28.

**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 year-end report for the period 1 January 2020 to 31 December 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 audited 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 year-end report for the period 1 January – 31 December 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](http://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](http://www.k2a.se)

**Legal advisor**

Advokatfirman Lindahl KB  
Studentgatan 6  
211 38 Malmö  
040-664 66 50  
[www.lindahl.se](http://www.lindahl.se)

**Issuing Agent and Joint Bookrunner**

Swedbank AB (publ)  
105 34 Stockholm  
08-585 900 00  
[www.swedbank.se](http://www.swedbank.se)

**Agent**

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

**Joint Bookrunner**

Nordea Bank Abp, filial i Sverige  
Smålandsgatan 17  
105 71 Stockholm  
010-157 10 00  
[www.nordea.se](http://www.nordea.se)

**Central Securities Depository**

Euroclear Sweden AB  
Klarabergsviadukten 63  
Box 191, 101 23 Stockholm  
08-402 90 00  
[www.euroclear.com/Sweden](http://www.euroclear.com/Sweden)

**Auditor**

KPMG AB  
Vasagatan 16  
Box 382, 101 27 Stockholm  
08-723 91 00  
[www.kpmg.se](http://www.kpmg.se)





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

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**Terms and Conditions for  
up to SEK 750,000,000  
Subordinated Perpetual Green Floating Rate  
Callable Capital Securities**

**ISIN: SE0015407507**

**14 January 2021**

*No action is being taken that would or is intended to permit a public offering of the Capital Securities or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Capital Securities 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.*

## Privacy Notice

The Issuer, the Issuing Agent and the Agent may collect and process personal data relating to the Holders, the Holders' representatives or agents, and other persons nominated to act on behalf of the Holders pursuant to the Terms and Conditions (name, contact details and, when relevant, holding of Capital Securities). The personal data relating to the Holders 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, the Issuing Agent and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Terms and Conditions and the Agency Agreement;
- (b) to manage the administration of the Capital Securities and payments under the Capital Securities;
- (c) to enable the Holders' to exercise their rights under the Terms and Conditions; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing 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 Terms and Conditions and the Agency Agreement. 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, the Agent or the Issuing 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, the Agent and the Issuing 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, the Agent's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites [www.k2a.se](http://www.k2a.se), [www.nordictrustee.com](http://www.nordictrustee.com) and [www.swedbank.se](http://www.swedbank.se).

## Information relating to the Capital Securities

*The Issuer intends (without thereby assuming any legal or contractual obligations whatsoever) that it will only redeem or repurchase Capital Securities to the extent that the equity credit of the Capital Securities to be redeemed or repurchased does not exceed the equity credit resulting from the sale or issuance during the 360-day period ending on the date of such redemption or repurchase by the Issuer or any subsidiary of the Issuer of replacement Capital Securities to third party purchasers (other than subsidiaries of the Issuer).*

*The foregoing shall not apply if:*

- (a) the issuer rating assigned by S&P, Moody's, Fitch, NCR or by Scope (as applicable) (each a "Rating Agency") to the Issuer is equivalent to the rating assigned by the relevant Rating Agency upon a Positive Rating Event or higher at the time of such redemption or repurchase and the Issuer is of the view that such issuer credit rating would not fall as a result of such redemption or repurchase; or*
- (b) the Capital Securities are redeemed following a Change of Control Event or pursuant to a Special Event; or*
- (c) less than (x) 10 per cent. of the aggregate principal amount of the Capital Securities originally issued is repurchased pursuant to Clause 11.2 in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Capital Securities originally issued is repurchased in any period of 10 consecutive years; or*
- (d) the relevant repurchase has followed an issuance of any class of ordinary shares or other instruments which are granted on issuance of high equity content where the amount of equity credit resulting from such issuance is equal to or more than the amount of equity credit assigned by the relevant Rating Agency to the Capital Securities being repurchased at the time of their issuance; or*
- (e) such replacement would cause the Issuer's outstanding hybrid capital which is assigned equity credit by any rating Agency to exceed the maximum aggregate principal amount of hybrid capital which such Rating Agency, under their then prevailing methodology; would assign equity credit to., based on the Issuer's adjusted total capitalisation; or*
- (f) if such redemption or repurchase occurs on or after the date falling twenty-five years and three months (25.25 years) from the First Issue Date.*

*For the avoidance of doubt, the Issuer wishes to clarify that at any time, including during the period up to the date falling five years and three months (5.25 years) after the First Issue Date, the Issuer shall not be required to replace the Capital Securities if paragraph (b), (d) or (e) above applies. For the purpose of the foregoing, "equity credit" (or such similar nomenclature then used by S&P, Moody's, Fitch, NCR or by Scope) describes:*

- (g) *the part of the nominal amount of the Capital Securities that was assigned equity credit by the relevant Rating Agency at the time of their issuance, or when the Capital Securities were first assigned more than minimal equity credit; and*
- (h) *the part of the net proceeds received from issuance of replacement Capital Securities or any class of ordinary shares that was assigned equity credit by the relevant Rating Agency at the time of their sale or issuance (or the equity credit such Rating Agency has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of equity credit by the relevant Rating Agency on the issue date of such replacement Capital Securities).*

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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 Holder has opened a Securities Account in respect of its Capital Securities.

“**Accounting Event**” means, prior to the occurrence of a Positive Rating Event, the receipt by the Issuer of an opinion of an authorised accountant (Sw. *auktoriserad revisor*) from a well-reputed accounting firm in Sweden (experienced in such matters) to the effect that, as a result of a change in the Accounting Principles or interpretation thereof, the equity treatment of the Capital Securities as “equity” in full in the Issuer’s consolidated financial statements has or will cease.

“**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 Capital Securities owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Capital Securities.

“**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 Capital Securities (irrespective of whether such Person is directly registered as owner of such Capital Securities) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Capital Securities 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.

“**Base Rate**” means STIBOR (3 months) or any reference rate replacing STIBOR in accordance with Clause 18 (*Replacement of Base Rate*).

“**Base Rate Administrator**” means the Swedish Financial Benchmark Facility AB (SFBF) or any Person replacing it as administrator of the Base Rate.

“**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 Security**” 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 Capital Securities and any Subsequent Capital Securities.

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more Persons, not being any of the Main Shareholders or Main Shareholder Companies, 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.

“**Change of Control Event Step-up Date**” means:

- (a) the date falling six (6) months after the date on which a Change of Control Event has occurred; or
- (b) if a Rating Downgrade occurs on or after such date specified in paragraph (a) above (and the ninety (90) day extension of the Change of Control Period has occurred), the date falling eight (8) months after the date on which a Change of Control Event has occurred.

“**Change of Control Period**” means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant

Change of Control Event and (B) the date of the earliest Potential Change of Control Event Announcement, if any, and (ii) ending on the date which is the one hundred and twentieth (120<sup>th</sup>) day after the date of the first public announcement of the relevant Change of Control Event (such one hundred and twentieth (120<sup>th</sup>) day, the “**Initial Longstop Date**”); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Issuer, if a Rating Agency publicly announces, at any time during the period commencing on the date which is sixty (60) days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control Event or Potential Change of Control Event Announcement, the Change of Control Period shall be extended to the date which falls ninety (90) days after the date of such public announcement by such Rating Agency.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Capital Securities, 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 Capital Securities from time to time.

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

“**Deferred Interest**” has the meaning ascribed to it in Clause 10.1.3.

“**Deferred Interest Payment Event**” means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Securities; and/or

- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Securities,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in each case, any declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital, which is made by reason of a claim (in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551))) by shareholder(s) owning not less than ten (10.00) per cent. of the shares in the Issuer;
- (iii) in the case of paragraph (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of:
  - (A) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer; or
  - (B) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; and
- (iv) in the case of paragraph (d) above only, any redemption repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Security below its par value.

**“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*).

**“First Call Date”** means the date falling five years and three months (5.25 years) after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“First Issue Date”** means 21 January 2021.

**“Fitch”** means Fitch Ratings Ltd.

**“Force Majeure Event”** has the meaning set forth in Clause 25.1.

**“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”**).

**“Holder”** 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 Capital Security.

**“Holders’ Meeting”** means a meeting among the Holders held in accordance with Clauses 16.1 (*Request for a decision*), 16.2 (*Convening of Holders’ Meeting*) and 16.4 (*Majority, quorum and other provisions*).

**“Initial Capital Securities”** means the Capital Securities issued on the First Issue Date, being SEK 450,000,000.

**“Initial Interest Rate”** means the Base Rate plus the applicable Margin.

**“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 creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation (Sw. *företagsrekonstruktion*) 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 Capital Securities calculated in accordance with Clause 9 (*Interest*).

**“Interest Payment”** means, in respect the payment of Interest on an Interest Payment Date, the amount of Interest payable for the relevant Interest Period in accordance with Clause 9 (*Interest*).

**“Interest Payment Date”** means, subject to Clause 10 (*Optional Interest Deferral*), 21 January, 21 April, 21 July and 21 October 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 Capital Securities shall be 21 April 2021 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, subject to any adjustments by an application of Clause 18 (*Replacement of Base Rate*), the sum of the Initial Interest Rate or the Step-up Interest Rate (including the Change of Control Event Step-up in accordance with Clause 9.4 (*Step-up after a Change of Control Event*)) (as applicable), provided that if the applicable Interest Rate falls below zero, the Interest Rate will be deemed to be zero.

**“Issue Date”** means the First Issue Date and each other date on which any Subsequent Capital Securities 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.

**“Issuer Winding-up”** has the meaning ascribed to it in paragraph (a) of Clause 3.2.

**“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 and Swedbank AB (publ) and thereafter each other party appointed as Joint Bookrunner in accordance with these Terms and Conditions and the CSD Regulations.

**“Main Shareholders”** means, Johan Knaust, personal identity number 711116-0110, Johan Ljungberg, personal identity number 720727-0278, and Johan Thorell, personal identity number 700131-7010, and any other Person, directly or indirectly, controlled by any of the Main Shareholders (**“Main Shareholder Company”**). 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.

**“Margin”** means:

- (a) from (but excluding) the First Issue Date to (and including) the date falling ten years and three months (10.25 years) after the First Issue Date, 5.95 per cent. *per annum*;
- (b) from (but excluding) the date falling ten years and three months (10.25 years) after the First Issue Date to (and including) the date falling twenty-five years and three months (25.25 years) after the First Issue Date, 6.20 per cent. *per annum*; and
- (c) from (but excluding) the date falling twenty-five years and three months (25.25 years) after the First Issue Date to (and including) the Redemption Date, 6.95 per cent. *per annum*.

“**Moody’s**” means Moody’s Investors Services Ltd.

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

“**NCR**” means Nordic Credit Rating AS.

“**Net Proceeds**” means the gross proceeds from the offering of the relevant Capital Securities, 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 Capital Securities.

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

“**Parity Securities**” means any obligations of:

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities; and
- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities.

“**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.

“**Positive Rating Event**” shall be deemed to occur if the Issuer has received a credit rating from any Rating Agency.

“**Potential Change of Control Event Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control Event (where “**near-term**” shall mean that such potential Change of

Control Event is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within one hundred and twenty (120) days of the date of such announcement or statement).

**“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.

**“Rating Agency”** means Moody’s, S&P, Fitch, NCR or Scope and any other rating agency of equivalent international standing requested by the Issuer to grant corporate credit rating to the Issuer and, in each case, their successors or affiliates.

**“Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control Event if within the Change of Control Period (i) the rating previously assigned to the Issuer (if any) by any Rating Agency is withdrawn by the relevant Rating Agency and not subsequently reinstated within the Change of Control Period (it being expressly acknowledged that any such withdrawal procured or effectuated by the Issuer or otherwise made to the direction, order or on the initiative of the Issuer, shall not constitute a Rating Downgrade) or (ii) the rating previously assigned to the Issuer by the relevant Rating Agency is lowered (by the relevant Rating Agency) at least one rating category below the rating category provided and not subsequently upgraded to at least the same rating category within the Change of Control Period, provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control Event if the relevant Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control Event.

**“Rating Event”** shall be deemed to occur if the Issuer has received confirmation from any Rating Agency either directly or via a publication by such Rating Agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effectively after the date a Positive Rating Event occurs and this has resulted in lower equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Capital Securities than the equity credit assigned on the date a Positive Rating Event occurs.

**“Record Date”** means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) the date of a Holders’ Meeting, or (iv) another relevant date (including i.e. in relation to payments made on a date other than the date specified in the Terms and Conditions), or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**“Redemption Date”** means the date on which the relevant Capital Securities are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and Repurchase of the Capital Securities*).

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

**“S&P”** means Standard and Poor’s Credit Market Services Europe Limited.

**“Scope”** means Scope Ratings GmbH.

**“Securities Account”** means the account for dematerialised securities (Sw. *avstämningsregister*) 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.

**“Special Event”** means any of an Accounting Event, a Rating Event, a Substantial Repurchase Event, a Tax Deductibility Event, a Withholding Tax Event or any combination of the foregoing.

**“Step-up Interest Rate”** means the Base Rate plus the applicable Step-up Margin; and

**“Step-up Margin”** means:

- (a) from (but excluding) the First Call Date to (and including) the date falling ten years and three months (10.25 years) after the First Issue Date, 8.45 per cent. *per annum*;
- (b) from (but excluding) the date falling ten years and three months (10.25 years) after the First Issue Date to (and including) the date falling twenty-five years and three months (25.25 years) after the First Issue Date, 8.70 per cent. *per annum*; and
- (c) from (but excluding) the date falling twenty-five years and three months (25.25 years) after the First Issue Date to (and including) the Redemption Date, 9.45 per cent. *per annum*.

**“STIBOR”** means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Base Rate Administrator 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 Indebtedness”** means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities.

**“Subsequent Capital Securities”** means any Capital Securities 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.

**“Substantial Repurchase Event”** shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than eighty (80.00) per cent. of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes any Subsequent Capital Securities).

**“Tax Deductibility Event”** means the receipt by the Issuer of an opinion of a well-reputed counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, any Interest Payments under the Capital

Securities were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer.

**“Tax Law Change”** means:

- (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation;
- (b) any governmental action; or
- (c) any amendment to, clarification of, or change in the application, official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the First Issue Date.

**“Total Nominal Amount”** means the total aggregate Nominal Amount of the Capital Securities 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 Capital Securities) in connection with (i) the issuance of Initial Capital Securities or Subsequent Capital Securities and (ii) the admission to listing of the Capital Securities (including Subsequent Capital Securities) on the Sustainable Bond List of Nasdaq Stockholm or any other Regulated Market.

**“Withholding Tax Event”** shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

**“Written Procedure”** means the written or electronic procedure for decision making among the Holders in accordance with Clauses 16.1 (*Request for a decision*), 16.3 (*Instigation of Written Procedure*) and 16.4 (*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 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](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 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.
- 1.2.4 No delay or omission of the Agent or of any Holder to exercise any right or remedy under the Terms and Conditions shall impair or operate as a waiver of any such right or remedy.
- 1.2.5 The selling restrictions, privacy notice, the text set out in under the heading “*Information relating to the Capital Securities*” 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 Holders and the Agent.

## 2 The Capital Securities

- 2.1 The Capital Securities are denominated in Swedish Kronor and each Capital Security is constituted by these Terms and Conditions. The Issuer undertakes to

make payments in relation to the Capital Securities and to comply with these Terms and Conditions.

- 2.2 By subscribing for Capital Securities, each initial Holder agrees that the Capital Securities shall benefit from and be subject to the Terms and Conditions and by acquiring Capital Securities, each subsequent Holder confirms such agreement.
- 2.3 The nominal amount of each Initial Capital Security is SEK 1,250,000 (the “**Nominal Amount**”). All Initial Capital Securities 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 5.2, the Issuer may, on one (1) or two (2) occasions after the First Issue Date up until the date falling three (3) months from the First Issue Date, issue Subsequent Capital Securities, however, in each case, provided that no default (as construed by reference to Clause 15.1 (*Proceedings*)) is continuing or would result from such issue.
- 2.5 Subsequent Capital Securities shall benefit from and be subject to the Terms and Conditions, and, for the avoidance of doubt, the ISIN, the Interest Rate, the currency, the Nominal Amount and the perpetual nature applicable to the Initial Capital Securities shall apply to Subsequent Capital Securities. The issue price of the Subsequent Capital Securities may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. Each Subsequent Capital Security shall entitle its Holder to Interest in accordance with 9.1, and otherwise have the same rights as the Initial Capital Securities.
- 2.6 The maximum Total Nominal Amount of the Capital Securities (the Initial Capital Securities and all Subsequent Capital Securities) may not exceed SEK 750,000,000 unless a consent from the Holders is obtained in accordance with Clause 16.4.2(a).
- 2.7 The Capital Securities are freely transferable but the Holders may be subject to purchase or transfer restrictions with regard to the Capital Securities, as applicable, under local regulation to which a Holder may be subject. Each Holder 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 Capital Securities or the possession, circulation or distribution of any document or other material relating to the Issuer or the Capital Securities in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Capital Securities.

### 3 Status of the Capital Securities

3.1 The Capital Securities, including the obligation to pay interest thereon, constitute direct, general, unconditional, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities against the Issuer are subordinated as described under Clause 3.2.

3.2 In the event of:

- (a) a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an “**Issuer Winding-up**”), the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
  - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
  - (ii) in priority to all present and future claims in respect of:
    - (a) the shares of the Issuer; and
    - (b) any other obligation of the Issuer expressed by its terms as at its original issue date to rank junior to the Capital Securities or any Parity Securities; and
  - (iii) junior in right of payment to any present or future claims of:
    - (a) all unsubordinated obligations of the Issuer; and
    - (b) all Subordinated Indebtedness; or
- (b) a company reorganisation of the Issuer under the Swedish Company Reorganisation Act, the Holders shall, in respect of their Capital Securities, have a claim for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:
  - (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; and
  - (ii) junior in right of payment to any present or future claims of:
    - (a) all unsubordinated obligations of the Issuer; and
    - (b) all Subordinated Indebtedness.

*Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under a company reorganisation of the Issuer.*

- 3.3 Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Securities and each Holder shall, by virtue of its holding of any Capital Security, be deemed to have waived all such rights of set-off, compensation or retention.

## **4 Use of Proceeds**

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

## **5 Conditions for Disbursement**

- 5.1 **Initial Capital Securities:** 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 Terms and Conditions 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 Capital Securities, the terms of the Terms and Conditions 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 Terms and Conditions, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is/are duly authorised to do so; and
- (e) such other documents and evidence as is agreed between the Agent and the Issuer.

- 5.2 **Subsequent Capital Securities:** 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 Capital Securities, the following:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Capital Securities and resolving to enter into documents necessary in connection therewith;

- (b) copies of the articles of association and certificate of incorporation of the Issuer; and
  - (c) such other documents and evidence as is deemed necessary, acting reasonably, by the Agent.
- 5.3 The Agent shall confirm in writing to the Issuing Agent when it is satisfied that the conditions in Clause 5.1 or 5.2, as the case may be have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and Waivers*)). The relevant Issue Date shall not occur 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).
- 5.4 Following receipt by the Issuing Agent of the written confirmation in accordance with Clause 5.3, the Issuing Agent shall settle the issuance of the Initial Capital Securities 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 5.3, the Issuing Agent shall settle the issuance of any Subsequent Capital Securities and pay the Net Proceeds to the Issuer on the relevant Issue Date.

## **6 Capital Securities in Book-Entry Form**

- 6.1 The Capital Securities will be registered for the Holders on their respective Securities Accounts and no physical Capital Securities will be issued. Accordingly, the Capital Securities will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the Persons who are Holders and their holdings of Capital Securities.
- 6.2 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 Capital Security shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 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 these Terms and Conditions, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 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 Holders.

- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and the Agency Agreement and shall not disclose such information to any Holder or third party unless necessary for such purposes.

## **7 Right to Act on Behalf of a Holder**

- 7.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney or other authorisation from the Holder or a successive, coherent chain of powers of attorney or authorisations starting with the Holder and authorising such Person.
- 7.2 A Holder 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 Capital Securities held by it. Any such representative may act independently under these Terms and Conditions in relation to the Capital Securities for which such representative is entitled to represent the Holder.
- 7.3 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 7.2 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.
- 7.4 These Terms and Conditions shall not affect the relationship between a Holder who is the nominee (Sw. *förvaltare*) with respect to a Capital Security and the owner of such Capital Security, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **8 Payments in Respect of the Capital Securities**

- 8.1 Any payment or repayment under these Terms and Conditions shall be made to such Person who is registered as a Holder 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.
- 8.2 If a Holder 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. 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 Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 8.3 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 9.5 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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.
- 8.5 The Issuer is not liable to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.

## **9 Interest**

### **9.1 Interest accrual**

- 9.1.1 Each Initial Capital Security carries Interest at the applicable Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Capital Security 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.
- 9.1.2 Interest accrues during an Interest Period. Subject to Clause 10 (*Optional Interest Deferral*), payment of Interest in respect of the Capital Securities shall be made to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.1.3 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).
- 9.1.4 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 10 (*Optional Interest Deferral*).

### **9.2 Initial Interest Rate**

Subject to Clause 9.3 (*Step-up Interest Rate*), Clause 9.4 (*Step-up after a Change of Control Event*) and Clause 18 (*Replacement of Base Rate*), the Interest Rate in respect of each Interest Period shall be the aggregate of the applicable Margin and the Base Rate in relation to the Capital Securities.

### 9.3 Step-up Interest Rate

Subject to Clause 9.4 (*Step-up after a Change of Control Event*), Clause 18 (*Replacement of Base Rate*) and provided a Positive Rating Event has not occurred prior to the First Call Date, commencing from (but excluding) the First Call Date, the Interest Rate in respect of each Interest Period shall be the aggregate of the applicable Step-up Margin and the Base Rate in relation to the Capital Securities.

### 9.4 Step-up after a Change of Control Event

Notwithstanding any other provision of this Clause 9, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 11.5 (*Voluntary redemption due to a Change of Control Event*), the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Clause 9, on the Capital Securities shall be increased by 500 basis points *per annum* (the “**Change of Control Event Step-up**”) with effect from (but excluding) the Change of Control Event Step-up Date.

### 9.5 Default Interest

If the Issuer fails to pay any amount payable by it pursuant to Clause 10.3 (*Mandatory settlement of Deferred Interest*) or Clause 11 (*Redemption and Repurchase of the Capital Securities*) (except for Clauses 11.1 (*No maturity*), 11.2 (*Purchase of Capital Securities by the Issuer and any other Group Company*) and 11.7 (*Cancellation of Capital Securities*)) 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 applicable Interest Rate. The default interest shall not be capitalised. 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.

## 10 Optional Interest Deferral

### 10.1 Deferral of Interest Payments

- 10.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole or in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice of such election to the Holders in accordance with Clause 24 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer to defer any Interest Payment as described above.

- 10.1.2 If the Issuer makes only a partial payment of interest on an Interest Payment Date, such amount shall be applied equally to each Capital Security.
- 10.1.3 Any Interest Payment so deferred pursuant to this Clause 10 shall, from (but excluding) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (and including) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.
- 10.1.4 The deferral of an Interest Payment in accordance with this Clause 10 shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

## **10.2 Optional settlement of Deferred Interest**

Deferred Interest may be paid, in whole or in part, at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Clause 24 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest. Any such notice shall state the date fixed for the payment and the relevant Record Date and is irrevocable.

## **10.3 Mandatory settlement of Deferred Interest**

- 10.3.1 The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:
- (a) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs;
  - (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
  - (c) the date on which the Capital Securities are redeemed or repaid in accordance with Clause 11 (*Redemption and Repurchase of the Capital Securities*) or Clause 15 (*Default and Enforcement*).
- 10.3.2 Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Clause 24 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

## **11 Redemption and Repurchase of the Capital Securities**

### **11.1 No maturity**

The Capital Securities are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Securities in the circumstances described in this Clause 11 (*Redemption and Repurchase of the Capital Securities*). The Capital Securities are not redeemable at the option of the Holders at any time.

### **11.2 Purchase of Capital Securities by the Issuer and any other Group Company**

11.2.1 The Issuer and any other Group Company may, subject to applicable regulations, at any time and at any price purchase Capital Securities on the market or in any other way.

11.2.2 Capital Securities held by the Issuer or any other Group Company may at their discretion be retained or sold or, if held by the Issuer, cancelled by the Issuer, provided that the aggregate principal amount of the Capital Securities subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Securities issued (which shall include, for these purposes, any Subsequent Capital Securities).

### **11.3 Voluntary total redemption (call option)**

The Issuer may redeem all, but not only some, of the outstanding Capital Securities in full on the First Call Date or on any Interest Payment Date falling thereafter at a price per Capital Security equal to one hundred (100.00) per cent. of the Nominal Amount together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.

### **11.4 Voluntary total redemption due to a Special Event**

11.4.1 Upon a Special Event occurring, the Issuer may redeem all, but not some only, of its Capital Securities at any time at a price per Capital Security equal to:

- (a) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; or
- (b) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

11.4.2 in each case together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.

## **11.5 Voluntary redemption due to a Change of Control Event**

### **11.5.1 Upon:**

- (a) a Change of Control Event (with no Positive Rating Event having occurred prior to the Change of Control Event); or
- (b) a Change of Control Event and, if a Positive Rating Event has occurred prior to the Change of Control Event, a Rating Downgrade occurs in respect of that Change of Control Event within the Change of Control Period,

the Issuer may, no later than the Change of Control Event Step-up Date, redeem all, but not some only, of its Capital Securities at an amount equal to:

- (i) if the Redemption Date falls prior to the First Call Date, one hundred and one (101.00) per cent. of the Nominal Amount; and
- (ii) if the Redemption Date falls on or after the First Call Date, one hundred (100.00) per cent. of the Nominal Amount,

in each together with any Deferred Interest and any interest accrued up to (and including) the Redemption Date.

- 11.5.2 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Agent and the Holders in accordance with Clause 24 (*Notices*), specifying the nature of the Change of Control Event.

## **11.6 Notice of redemption**

Redemption of the Capital Securities shall be made by the Issuer giving not less than thirty (30) Business Days' notice and not more than sixty (60) Business Days' notice to the Holders 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 Holder to receive the amounts due on such Redemption Date. The notice is irrevocable but may in the case of a redemption in accordance with 11.3 (*Voluntary total redemption (call option)*), 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 Capital Securities in full at the applicable amount on the specified Redemption Date.

## **11.7 Cancellation of Capital Securities**

All Capital Securities which are redeemed pursuant to this Clause 11 and all Capital Securities purchased and elected to be cancelled pursuant to and in accordance with Clause 11.2 (*Purchase of Capital Securities by the Issuer and any other Group Company*) will be cancelled and may not be reissued or resold.

The Issuer shall promptly inform the Holders in accordance with Clause 24 (*Notices*), the Agent and the Issuing Agent of any such cancellation and for so long as the Capital Securities are admitted to listing on Nasdaq Stockholm and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm (or any other relevant Regulated Market on which the Capital Securities are admitted to trading) of the cancellation of any Capital Securities under this Clause 11.7.

## **12 Preconditions to Special Event Redemption or Change of Control Event Redemption**

- 12.1 Prior to the publication of any notice of redemption pursuant to Clause 11 (*Redemption and Repurchase of the Capital Securities*) (other than redemption pursuant to Clause 11.3 (*Voluntary total redemption (call option)*)), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating:
- (a) that the relevant requirement or circumstance giving rise to the right to redeem the Capital Securities is satisfied; and
  - (b) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it.
- 12.2 In addition, in the case of a Special Event (other than a Substantial Repurchase Event) the Issuer shall deliver to the Agent and the Issuing Agent an opinion of independent legal, accounting or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). Such certificate and, if applicable, opinion, shall be conclusive and binding on the Holders.
- 12.3 Any redemption of the Capital Securities in accordance with Clause 11 (*Redemption and Repurchase of the Capital Securities*) shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Clause 10.3 (*Mandatory settlement of Deferred Interest*) on or prior to the date of such redemption.

## **13 Information to Holders**

### **13.1 Information from the Agent**

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 Holders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Capital Securities.

### **13.2 Availability of the Terms and Conditions**

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. Failure by the Issuer to have these Terms and Conditions (including any document amending these Terms and Conditions) available on its website shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*), by the Issuer under the Capital Securities or for any other purpose.

## **14 Admission to listing etc.**

### **14.1 Admission to listing**

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure that:

- (a) the Initial Capital Securities 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 thirty (30) calendar days after the First Issue Date;
- (b) any Subsequent Capital Securities 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 thirty (30) calendar days following the relevant Issue Date (unless such Subsequent Capital Securities are issued before the date falling thirty (30) calendar days after the First Issue Date in which case such Subsequent Capital Securities shall be admitted to listing within thirty (30) calendar days after the First Issue Date); and
- (c) following an admission to listing, such listing is maintained for as long as any Capital Securities 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 Capital Securities are admitted to listing, and the CSD preventing trading in the Capital Securities in close connection with the redemption of the Capital Securities).

### **14.2 Undertakings relating to the Agency Agreement**

The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Holders if the amendment would be detrimental to the interests of the Holders.

### **14.3 Green Finance Framework**

The Issuer shall (without assuming any legal or contractual obligation) maintain a Green Finance Framework, which shall at all times be published on the Issuer's webpage.

### **14.4 Maintenance of Rating**

If a Positive Rating Event has occurred prior to a Change of Control Event, the Issuer shall (without assuming any legal or contractual obligation), upon and from the occurrence of a Change of Control Event, use its best efforts to maintain the credit rating assigned to it for the entire duration of the Change of Control Period.

### **14.5 Failure to comply**

Failure by the Issuer to comply with the provisions of Clause 14.1 (*Admission to listing*) to (and including) 14.4 (*Maintenance of Rating*) shall, for the avoidance of doubt, not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

## **15 Default and Enforcement**

### **15.1 Proceedings**

15.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 10 (*Optional Interest Deferral*), if a default is made by the Issuer for a period of thirty (30) calendar days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Agent (acting on instructions of the Holders in accordance with these Terms and Conditions) or (subject to Clause 22.2) any Holder may institute proceedings for an Issuer Winding-up provided that such default is still continuing.

15.1.2 In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted resolution (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 3.2.

### **15.2 Enforcement**

15.3 The Agent (acting on the instructions of the Holders in accordance with these Terms and Conditions) may institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Capital Securities but in no event shall the Issuer, by virtue of the institution of any such

proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

#### **15.4      Extent of Holders' Remedy**

- 15.5      No remedy against the Issuer, other than as referred to in this Clause 15, shall be available to the Agent and the Holders, whether for the recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities.

### **16          Decisions by Holders**

#### **16.1      Request for a decision**

- 16.1.1    A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.1.2    Any request from the Issuer or a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 16.1.3    The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders 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.
- 16.1.4    The Agent shall not be responsible for the content of a notice for a Holders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 16.1.5    Should the Agent not convene a Holders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Holder(s) requesting a decision by the Holders may convene such Holders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall provide the convening Holder(s) with the information available in the Debt Register in order to convene and hold the Holders' Meeting or instigate and carry out the Written Procedure,

as the case may be. The Issuer or Holder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

- 16.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Holders' Meeting in accordance with Clause 16.2 (*Convening of Holders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Holders pursuant to Clause 19.4.3, 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 Holders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Holders' 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.
- 16.1.7 Should the Issuer or any Holder(s) convene a Holders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, 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 Holder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

## **16.2 Convening of Holders' Meeting**

- 16.2.1 The Agent shall convene a Holders' Meeting by way of notice to the Holders 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 Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2.2 The notice pursuant to Clause 16.2.1 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 Holder 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 these Terms and Conditions, such proposed amendment must always be set out in detail. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 16.2.3 The Holders' 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.
- 16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a

Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in Person.

### **16.3 Instigation of Written Procedure**

- 16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Holders 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 Holder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.3.2 A communication pursuant to Clause 16.3.1 shall include (i) a specification of the Record Date on which a Person must be registered as a Holder 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 Holder 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 16.3.1). 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 these Terms and Conditions, 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.
- 16.3.3 If so elected by the Person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Holders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

### **16.4 Majority, quorum and other provisions**

- 16.4.1 Only a Holder, or a Person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to Act on Behalf of a Holder*) from a Holder:
- (a) on the Business Day specified in the notice pursuant to Clause 16.2.2, in respect of a Holders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Capital Securities are included in the Adjusted Nominal Amount. Each whole Capital Security entitles to one vote and any fraction of a Capital Security 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.

- 16.4.2 The following matters shall require the consent of Holders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:
- (a) the issue of any Subsequent Capital Securities, if the Total Nominal Amount of the Capital Securities exceeds, or if such issue would cause the Total Nominal Amount of the Capital Securities 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 Capital Securities are issued);
  - (b) a change to the currency, denomination, status or transferability of the Capital Securities;
  - (c) a reduction of the premium payable upon the redemption or repurchase of any Capital Security pursuant to Clause 11 (*Redemption and Repurchase of the Capital Securities*);
  - (d) a change to the Interest Rate (including, for the avoidance of doubt, changes to Initial Interest Rate, the Step-up Interest Rate and the Change of Control Event Step-up and/or any components thereof, in each case other than as a result of an application of Clause 18 (*Replacement of Base Rate*)) or the Nominal Amount;
  - (e) a change of Issuer or any delay of the due date for payment of any interest on the Capital Securities other than as permitted pursuant to Clause 10 (*Optional Interest Deferral*);
  - (f) a change to the terms dealing with the requirements for Holders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*);
  - (g) an amendment of the perpetual nature of the Capital Securities or any delay of the due date for payment of any principal on the Capital Securities;
  - (h) a mandatory exchange of the Capital Securities for other securities; and
  - (i) early redemption of the Capital Securities, other than or as otherwise permitted or required by these Terms and Conditions.

- 16.4.3 Any matter not covered by Clause 16.4.2, including, for the avoidance of doubt, the initiation of an Issuer Winding-up, shall require the consent of Holders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of these Terms and Conditions that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a) or (c)).
- 16.4.4 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in Person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Holders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the Person(s) who initiated the procedure for Holders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Holders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Holders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.4.7 A Holder holding more than one Capital Security 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.
- 16.4.8 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 these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as applicable.

- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Capital Securities (irrespective of whether such Person is a Holder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' 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.
- 16.4.10 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders 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 Holders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Capital Securities 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 Holder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Capital Security is owned by a Group Company or an Affiliate.
- 16.4.13 Information about decisions taken at a Holders' 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 Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

## **17 Amendments and Waivers**

- 17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree in writing to amend and waive any provision in these Terms and Conditions or any other document relating to the Capital Securities, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Holders 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;

- (d) is made pursuant to Clause 18 (*Replacement of Base Rate*); or
- (e) has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Holders.

17.2 Any amendments to these Terms and Conditions shall be made available in the manner stipulated in Clause 13.2 (*Availability of the Terms and Conditions*). The Issuer shall ensure that any amendments to these Terms and Conditions 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 17.1(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.

17.3 An amendment to these Terms and Conditions shall take effect on the date determined by the Holders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **18 Replacement of Base Rate**

### **18.1 General**

18.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Holders in accordance with the provisions of this Clause 18 shall at all times be made by such Independent Adviser, the Issuer or the Holders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

18.1.2 If a Base Rate Event has occurred, this Clause 18 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

### **18.2 Definitions**

In this Clause 18:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof determined in accordance with Clause 18.3.3, to be applied to a Successor Base Rate or an Alternative Base Rate, the objective of which, in each case, shall be to reduce or eliminate, to the fullest extent reasonably practicable, any transfer of economic value from one party to another as a result of a replacement of the Base Rate.

**“Alternative Base Rate”** means the reference rate that has replaced the Base Rate in customary market usage in the relevant debt capital markets for the purposes of determining rates of interest in respect of Capital Securities denominated in Swedish kronor or, if there is no such rate, such other rate as the Independent Adviser determines is most comparable to the Base Rate.

**“Base Rate Amendments”** has the meaning set forth in Clause 18.3.5.

**“Base Rate Event”** means that:

- (a) the Base Rate has (i) been permanently or indefinitely discontinued, (ii) ceased to exist or (iii) ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate ceasing to be calculated or administered;
- (b) the Base Rate Administrator ceases to publish the applicable Base Rate permanently or indefinitely and, at that time, no successor administrator has been appointed to continue to publish the Base Rate;
- (c) the supervisor of the Base Rate Administrator (i) has made a public statement stating that the Base Rate is no longer representative of the underlying market or (ii) is recommending the usage of a Successor Base Rate for the applicable Base Rate;
- (d) the Base Rate Administrator or its supervisor announces that (i) the Base Rate methodology has changed materially after the First Issue Date or (ii) the Base Rate may no longer be used, either generally or in respect of the Capital Securities; or
- (e) it has become unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Holder using the applicable Base Rate.

**“Base Rate Event Announcement”** means a public statement by the Base Rate Administrator or the supervisor of the Base Rate Administrator that any event or circumstance specified in paragraphs (a) to (e) of the definition of Base Rate Event will occur.

**“Independent Adviser”** means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

**“Relevant Nominating Body”** means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee of any of them or the Financial Stability Council (Sw. *Finansiella stabilitetsrådet*) or any part thereof.

**“Successor Base Rate”** means a screen or benchmark rate which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body.

### **18.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

- 18.3.1 Without prejudice to Clause 18.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate or an Alternative Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to determine a Successor Base Rate or, if there is no Successor Base Rate, an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 18.3.2.
- 18.3.2 If (i) a Base Rate Event has occurred or (ii) a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six (6) months, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to determine, as soon as commercially reasonable, a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate.
- 18.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 18.3.2, the Holders shall, if so decided at a Holders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 18.3.2.
- 18.3.4 The Adjustment Spread determined by the Independent Adviser in accordance with Clause 18.3.1 or 18.3.2, shall be the Adjustment Spread which:
- (a) is formally recommended in relation to the replacement of the Base Rate by any Relevant Nominating Body; or
  - (b) if paragraph (a) above does not apply, the Independent Adviser determines is customarily applied to the relevant Successor Base Rate or Alternative Base Rate (as applicable), in comparable debt capital markets transactions.
- 18.3.5 The Independent Adviser shall also determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or an Alternative Base Rate or to reflect the adoption of such Successor Base Rate or Alternative Base Rate in a manner substantially consistent with market practice (**“Base Rate Amendments”**).

- 18.3.6 Provided that a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the applicable Adjustment Spread and any Base Rate Amendments have been determined no later than ten (10) Business Days prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period.

#### **18.4 Interim measures**

- 18.4.1 If a Base Rate Event has occurred but no Successor Base Rate or Alternative Base Rate and Adjustment Spread have been determined at least ten (10) Business Days prior to the relevant Quotation Day in relation to the next succeeding Interest Period, the Interest Rate applicable to the next succeeding Interest Period shall be:
- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
  - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 18.4.2 For the avoidance of doubt, Clause 18.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 18.

#### **18.5 Notices etc.**

The Issuer shall promptly following the determination by the Independent Adviser of any Successor Base Rate, Alternative Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Issuing Agent and the Holders in accordance with Clause 24 (*Notices*) and the CSD.

#### **18.6 Variation upon replacement of Base Rate**

- 18.6.1 No later than giving the Agent notice pursuant to Clause 18.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer confirming the relevant Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined in accordance with the provisions of this Clause 18. The Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any determination, be binding on the Issuer, the Agent, the Issuing Agent and the Holders.

- 18.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 18.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Holders, without undue delay effect such amendments to these Terms and Conditions as may be required by the Issuer in order to give effect to this Clause 18.
- 18.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 18. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in these Terms and Conditions.

## **18.7 Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 18.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

## **18.8 Failure to comply**

Failure by the Issuer to comply with the provisions of this Clause 18 shall, for the avoidance of doubt, not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

# **19 The Agent**

## **19.1 Appointment of the Agent**

- 19.1.1 By subscribing for Capital Securities, each initial Holder appoints the Agent to act as its agent in all matters relating to the Capital Securities and these Terms and Conditions, 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 Capital Securities held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Capital Securities, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Holder 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 these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

- 19.1.3 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 these Terms and Conditions.
- 19.1.4 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 these Terms and Conditions and the Agency Agreement and the Agent's obligations as Agent under the these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 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.

## **19.2 Duties of the Agent**

- 19.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions.
- 19.2.2 When acting pursuant to these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent is never acting as an advisor to the Holders or the Issuer. Any advice or opinion from the Agent does not bind the Holders or the Issuer.
- 19.2.3 When acting pursuant to these Terms and Conditions, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 19.2.4 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders 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 these Terms and Conditions.
- 19.2.5 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 Holders 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 these Terms and Conditions.
- 19.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) a matter relating to the Issuer or these Terms and Conditions which the

Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions, and (ii) in connection with any Holders' Meeting or Written Procedure, or (iii) in connection with any amendment (whether contemplated by these Terms and Conditions or not) or waiver under these Terms and Conditions.

- 19.2.7 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 these Terms and Conditions.
- 19.2.8 Other than as specifically set out in these Terms and Conditions, the Agent shall not be obliged to monitor (i) whether any default pursuant to Clause 15 (*Default and Enforcement*) has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under these Terms and Conditions, (iii) the financial condition of the Issuer and the Group, or (iv) whether any other event specified in these Terms and Conditions 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.
- 19.2.9 The Agent shall ensure that it receives evidence satisfactory to it these Terms and Conditions are duly authorised and executed. 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 19.2.9. Other than as set out above, the Agent shall neither be liable to the Issuer or the Holders 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.
- 19.2.10 Notwithstanding any other provision of these Terms and Conditions 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.
- 19.2.11 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 Holders, 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.
- 19.2.12 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and

Conditions or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.11.

### **19.3 Liability for the Agent**

- 19.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 19.3.2 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 Holders to delay the action in order to first obtain instructions from the Holders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, 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.
- 19.3.4 The Agent shall have no liability to the Issuer or the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with these Terms and Conditions.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

### **19.4 Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders 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 Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, 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.
- 19.4.3 A Holder (or Holders) 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 Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

- 19.4.4 If the Holders 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 Holders, 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 under debt issuances.
- 19.4.5 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 these Terms and Conditions.
- 19.4.6 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 19.4.4(ii) having lapsed.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, 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 these Terms and Conditions 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.

## **20 The Issuing Agent**

- 20.1 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 Capital Securities. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

- 20.2 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 Capital Securities.
- 20.3 The Issuing Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

## **21 The CSD**

- 21.1 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 Capital Securities.
- 21.2 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 Holder or the admission to listing of the Capital Securities on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **22 No Direct Actions by Holders**

- 22.1 A Holder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, 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 the Issuer or any Group Company under these Terms and Conditions. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions 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 Holder to provide documents in accordance with Clause 19.1.2), 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 these Terms and Conditions or the Agency Agreement or by any reason described in Clause 19.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.12 before a Holder may take any action referred to in Clause 22.1.

## **23 Prescription**

- 23.1 The right to receive repayment of the principal of the Capital Securities 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 Holders' right to receive payment has been prescribed and has become void.
- 23.2 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 Capital Securities, 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.

## **24 Notices**

- 24.1 Any notice or other communication to be made under or in connection with the Terms and Conditions:
- (a) if to the Agent, shall be given at the address specified on its website [www.nordictrustee.com](http://www.nordictrustee.com) on the Business Day prior to dispatch or, 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, 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 Holders, 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 Holders. A Notice to the Holders shall also be published on the websites of the Issuer and the Agent.

- 24.2 Any notice or other communication made by one Person to another under or in connection with the Terms and Conditions 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 24.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1, or, in case of email, when received in readable form by the email recipient.
- 24.3 Any notice or other communication pursuant to the Terms and Conditions shall be in English.
- 24.4 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

## **25 Force Majeure**

- 25.1 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.
- 25.2 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.
- 25.3 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **26 Governing Law and Jurisdiction**

- 26.1 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.
- 26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

## Signature page

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: