

# **FASTIGHETS AKTIEBOLAGET TRIANON AB (PUBL)**

## **PROSPECTUS REGARDING LISTING OF MAXIMUM**

**SEK 500,000,000**

## **SUBORDINATED PERPETUAL FLOATING RATE CALLABLE CAPITAL SECURITIES**

**ISIN: SE0012453900**

**9 May 2019**

*Amounts payable under the Capital Securities are calculated by reference to STIBOR, which is provided by the Swedish Bankers' Association (Sw. Svenska Bankföreningen). As at the date of this Prospectus, the Swedish Bankers' Association does not appear on 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) (the "BMR"). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the Swedish Bankers' Association is not currently required to obtain authorisation or registration.*

## Important information

This prospectus (the “**Prospectus**”) has been prepared by Fastighets Aktiebolaget Trianon (publ) (“**Trianon**”, the “**Company**” or the “**Issuer**”), registration number 556183-0281, in relation to the application for listing of capital securities issued under the Company’s maximum SEK 500,000,000 subordinated perpetual floating rate callable capital securities with ISIN SE0012453900 (the “**Capital Securities**”), issued on 17 April 2019 (the “**First Issue Date**”) in accordance with the terms and conditions for the Capital Securities (the “**Terms and Conditions**”) (the “**Capital Security Issue**”), on the Sustainable Bond List at Nasdaq Stockholm AB (“**Nasdaq Stockholm**”). References to the “Company” or the “Group” refer in this Prospectus to Fastighets Aktiebolaget Trianon (publ) and its subsidiaries from time to time. References to “SEK” refer to Swedish Kronor.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Capital Securities in any jurisdiction. It 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 may be 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 Company 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 Company 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.

The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page ([www.fi.se](http://www.fi.se)) and the Company’s web page ([www.trianon.se](http://www.trianon.se)), and paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’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 may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section “*Risk factors*” below.

This Prospectus shall be read together with all documents that are incorporated by reference (see section “*Overview of financial reporting and documents incorporated by reference*” below) and possible supplements to this Prospectus.

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.

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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## **Risk Factors**

*Investing in the Capital Securities involves inherent risks. In this section a number of risk factors are described, both general risks attributable to the Company and its holdings in its subsidiaries (the “**Group Companies**”) as well as risks related to these subsidiaries’ operations. The financial performance of the Company and the other Group Companies (the “**Group**”) and the risks associated with its businesses are important when making a decision on whether to invest in the Capital Securities. A number of risk factors and uncertainties may adversely affect the Company, the Group and the Group Companies. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Company, the Group or the Group Companies could be materially and adversely affected, which ultimately could affect the Company’s ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors are illustrated, namely general risks pertaining to the Group’s business operations and material risks relating to the Capital Securities as financial instruments. The risks presented in this material are not exhaustive and other risks not discussed herein that the Group is currently not aware of, may also adversely affect the Group, the price of the Capital Securities and the Company’s ability to service its debt obligations. Further, the risk factors are not ranked in order of importance. Potential investors should consider carefully the information contained in this material and make an independent evaluation before making an investment decision.*

### **Risks related to the Company and its operations**

*Changes to macroeconomic factors may negatively impact the property sector*

Operating in the property sector, the Company is strongly affected by macroeconomic factors such as the general economic development, growth, fluctuations in capital markets, the rate at which new housing and premises are produced, changes in infrastructure, the composition and growth of the population, inflation as well as interest rates. The general economic development in Sweden is affected by several events in the wider world. Economic growth impacts employment rates and demographic trends, both of which are significant to the demand for, and price of, the Company’s commercial premises and housing. Consequently, an overall decline or fluctuation in the market for commercial and residential property, both in general and in the Malmö area, could affect rents, occupancy rates, demand with respect to the Company’s premises, the value of the Company’s properties as well as availability and cost of financing. Should any or all of the aforementioned risk factors materialise, it could have a material negative impact on the Company’s operations, financial position and earnings.

Inflation expectations affect the interest rate and therefore affect the Company’s net income. The interest cost of debts to credit institutions and outstanding market loans constitute one of the Company’s main cost items. In the long term, changes in the interest rate thus have a significant effect on the Company’s result and cash flow. In addition, changes in the interest rate and the inflation also affect the yield requirements and thus the market value of the properties. The Company owns and manages property only in the Malmö region, and the Company’s holdings are thus especially exposed towards macroeconomic risk factors that affect property in such geographic area. If one or several of these factors would develop negatively, it could have a material negative impact on the Company’s operations, financial position and earnings.

Approximately 80 per cent. of the commercial property lease agreements entered into by the Group Companies are either fully or to 2 per cent. linked to the Swedish Consumer Price Index (Sw. *konsumentprisindex*), which means that such agreements are adjusted in accordance with the inflation. There is a risk that the Company and the Group will not be able to negotiate lease agreements that wholly or partially compensate the inflation. If the Company's costs due to inflation increase more than the compensation due to index adjustments, it could have a material negative impact on the Company's operations, profit and financial position.

*The Company is subject to geographical risk with respect to the Malmö region*

The Company currently operates exclusively in the Malmö region, and is therefore particularly sensitive to various economic factors affecting that region. A major demographic transformation has taken in place in Malmö over the past decades, with the city's industrial profile being replaced by a modern, knowledge-based profile, which has contributed to the development of the property market in the city. This developmental trend may stagnate in the future, which could negatively affect rental income, vacancy rates, overall demand and property value.

Moreover, an economic downturn in relation to companies operating in sectors essential to the future development of the Malmö area, including technology-intensive and consumer-orientated firms, could entail an outcome similar to a general economic decline, bringing about lessened demand for commercial premises and housing, as well as a decline in employment rates and population levels. Should such a negative trend in Malmö's future development occur, it could have a material negative impact on the Company's operations, financial position and earnings.

*The Company is subject to risks relating to rental income and development*

The Company's revenue primarily consist of rental income, which depend on occupancy rates with respect to properties and premises, rental rates, and the extent to which tenants fulfil their payment obligations towards the Company. Rental rates and occupancy rates are, among other factors, affected by economic growth and the rate at which new premises and housing are produced. Around 50 per cent. of the Company's revenue is attributable to commercial premises and around 50 per cent. to residential housing. In relation to commercial property and premises, certain tenants account for a large share of the Company's annual contracted revenue. Should one or more of the Company's major tenants refrain from renewal or extension of their rental agreements at the relevant expiry date, or should simultaneously a large amount of residential tenants be unable to fulfil their payment obligations vis-à-vis the Company, it could negatively affect occupancy rates and rental income.

Certain of the Company's tenants' operations are tax-funded and are subject to political decisions or cost-saving initiatives which in turn could affect the eligibility of extended contracts at expiry, at terms which are favourable to the Company. Should such contracts not be extended, it could negatively affect occupancy rates, with rental revenue falling as a result.

Rental income is also affected by current rates of market rental rates. General market trends may impact rents in conjunction with the renegotiation of existing rental agreements, as well as during agreement of contracts with new tenants. Should the Company fail to enter into or extend rental agreements at favourable terms, or at all, this could lead to a drop in occupancy rates and rental revenues.

Should one or more of the aforementioned risks materialise, it could have a material negative impact on the Company's operations, financial position and earnings.

*The Company is subject to risks related to methods used to calculate rent*

The calculation of rent differs substantially between commercial premises and residential properties. Levels of rent for commercial premises depend on the economic climate, and are primarily affected by factors such as general demand, the type of premises, design, standard, location and the allocation of costs and ongoing management measures between the tenant and property owner. Unlike rental calculation for commercial premises, rental calculation in relation to the Swedish residential housing rental market is not subject to freedom of pricing. Calculation of rent for residential housing is partially regulated through the so-called utility value system (Sw. *bruksvärdessystemet*) which is a control system for societal rent calculation whereby landlords may not impose rents which exceed certain agreed levels for rents at equivalent locations and standards, and that are set in collective negotiations for housing. As a general rule, rental negotiations on the Swedish housing market involve property owners, or associations thereof, and the Swedish Union of Tenants (Sw. *Hyresgästföreningen*). With respect to Malmö, the so called Malmö model – which is a local form of the utility value system – is in effect, consisting of an agreement between the Swedish Union of Tenants (South Skåne Region) and Malmö's Municipal Housing Enterprise (Sw. *Malmö Kommunala Bostadsbolag (MKB)*). With respect to rental calculation, the standard and location of apartments are given greater importance than otherwise the case in other geographical areas. Hence, the Company is particularly sensitive to standard and location of its properties in the calculation of rental rates, which may affect the level of rental income with respect to residential housing.

The regulated rent calculation on the private rental housing market is associated with the risk that general cost increases may not be compensated by increases in rental income, or that such an effect is delayed. Moreover, due to the rental levels being regulated, the development of rental rates with respect to residential housing may develop in a direction less favourable to the property owner. Should the Company be unable to compensate for the increased costs of housing by increased rents, it could have a material negative impact on the Company's operations, financial position and earnings.

*The Company is subject to risks related to increased operational and maintenance costs*

The Company's operational costs are mainly related to heat and electricity, but also, among other costs, include costs for maintenance, waste collection and water. As several of such goods and services only can be obtained from one, or a small number of suppliers, the Company may be forced to accept certain price levels less favourable to the Company. To the extent that costs increases in relation to such suppliers cannot be compensated for by corresponding increases in rent, the Company may incur additional costs, which could have a material negative impact on the Company's operations, financial position and earnings.

The Company is obliged to maintain a certain standard with regard to its buildings and residential housing in order to comply with the terms of rental agreements as well as with regulatory requirements. A large proportion of the Company's cost items are therefore attributable to maintenance. During the financial year 2018, such costs accounted for around 20 per cent. of the Company's total property expenditure. Such costs are recognised in the financial statements to the extent they constitute repair and maintenance for the purpose to maintain the original standard of the property. Other additional expenditures associated with maintenance is capitalised in the balance sheet to the extent such measures are deemed to increase the value of the property. Maintenance costs also include technical maintenance of the properties, leading to that structural defects, hidden

faults and defects, damage (caused by, for example, power cuts, vermin, fire, asbestos or mould), contamination and severe weather conditions. As a result, unforeseen, extensive renovation work may lead to a substantial rise in maintenance costs.

Certain enterprises may require specific investment measures and specific tenant adaptations or may bring about general deterioration of the building. For example, several of the Company's properties have been utilised as, and adapted to the operations of schools, nurseries, residential care, libraries and sheltered housing. In order to satisfy the requirements of both the market and authorities, such adaptation related costs may be considerable, and there is a risk that any adaptations made may not meet the demands and expectations of future tenants, resulting in the Company potentially having to bear additional costly adaptations in the future.

Should any of the aforementioned risks materialise, it could have a material negative impact on the Company's operations, financial position and earnings.

*The Company is subject to risks related to valuation of property*

For the purpose of financial reporting, the Company's properties are all classified as investment properties and reported at their fair value in the balance sheet. The fair value is determined by an assessment of the market value for each property which is determined by a number of factors – some of which are property-specific, such as vacancy rates, rents, contract terms and operating costs, and some of which are market-specific, such as the required return on investment and imputed rate of interest derived from comparable transactions on the property market. As a result, a decline in property- and market-orientated conditions may lead to a decline in value of the Company's properties, which could have a material negative impact on the Company's operations, financial position and earnings.

As a property owning company, the company is dependent on an accurate valuation of its material property assets, for which purpose the Company consults external valuation expertise. There is a risk that the valuation carried out by such external expertise fails to reflect to accurate asset value of the Company or that any external expertise consulted terminates its agreements with the Company whereby other expertise will need to be sought. If the valuation does not accurately reflect the asset value or if external expertise cannot be retained on favourable terms or at all, it would result in that the Company incurs additional costs or must engage in time-consuming procedures, which in turn could have a material negative impact on the Company's operations, financial position and earnings

*Risks relating to the Company's reputation*

The Company's reputation affects the Group's operations and future earning capacity. The long-term profitability of the Company is dependent on the extent to which tenants, credit institutes and other participants on the property market associate the Company and its operations with positive values and high standards. Furthermore, as the Group has a strong position as a socially responsible and sustainable operator, the Company is dependent on the upholding of a strong reputation in relation to such issues in order to successfully pursue its business goals. Should the Company, or any of its board members, senior management or other companies or individuals with whom the Company is affiliated or may be associated, act in a manner which conflicts with the values it represents, the reputation of the Company may be impaired. Such deterioration of the Company's

reputation could have a material negative impact on the Company's operations, financial position and earnings.

*Risks related to jointly-owned properties*

In addition to the Company's direct and indirect subsidiaries, the Group holds three associated undertakings which together own two investment properties. Shares in associated companies are reported in the financial statements using the equity method (Sw. *kapitalandelsmetoden*), which means that any changes to the net assets of associated companies is reported in the Group's consolidated financial statements. Certain share ownership is subject to shareholders' agreements, but in relation to several partly-owned companies there is no written agreement with other shareholders leading to that the Company does not have full decision-making powers in such associated companies, and that the Company cannot fully control investment Initiatives or the disposal of properties in such associated companies. There is a risk that discussions and disagreements may arise in the Company's partly-owned companies with regard to the future operations of such companies, including discussions on refinancing measures, property development and potential divestment of the company or relevant properties. Such discussions may lead to disputes and that the Company cannot develop its property holdings in a favourable manner, both of which could have a negative impact on the Company's operations, financial position and earnings.

*The Company is subject to competition from other property companies*

The Company operates in a highly competitive sector, which is expected to remain subject to considerable competition. Among other factors, the Company's future competitiveness is dependent on its ability to predict changes and readily adapt to existing and future market needs.

In the event of high demand for suitable investments, investment options may be limited or available only on unfavourable terms. There is a risk that the Company's competitors may have access to greater resources and have better resources to compete on the market. The competitive situation on the property market is also significantly affected by the method used by municipalities to allocate land and developments. The branch of the Company's operations that is engaged in residential development and new construction is subject to considerable competition in the acquisition of construction rights and land allocation agreements.

The Company also faces competition to attract tenants with regard to property location, rents, office-specific adaptations, size, accessibility, quality, tenant satisfaction and the reputation of the Company, among other factors. The competitors of the Company may have significantly greater resources and capacity in relation to, for example, the ability to attract new tenants and withstand adverse market conditions, as well as to retain competent personnel and to react more readily to market changes.

The Company strives to increase the attractiveness of the areas where its commercial premises and residential housing are located. In line with the increase of new-builds and the expansion of existing areas, new districts are emerging containing housing, offices and retail premises, among other things. As a result, the Company may incur greater investment costs, not only in order to ensure the competitiveness of its existing property portfolio in relation to new construction, but also in order to invest in new properties with the aim of maintaining its market position. New-builds are typically associated with high rents and relocation costs. Accordingly, investment in new-builds renders the Company more exposed to increased vacancy rates and property deterioration.



Should the Company be unable to compete successfully, it could significantly affect the Company's development opportunities, rents and vacancy rates, with decreased revenues as a result. If any of the aforementioned risks materialise, it could have a negative impact on the Company's operations, financial position and earnings.

#### *Risks associated with the acquisition of properties*

Acquisition of property forms an essential basis for the Company's operations. The Company is therefore dependent on that the market supply meets the Company's expectations and investment capacity, with, for example, regard to location and anticipated return on investment. Access to, and demand for, properties and construction rights, competition, planning, local regulations and access to financing may restrict the Company's ability to complete acquisitions at favourable terms or at all.

Moreover, the acquisition of properties is associated with risks relating to the properties themselves, for example, erroneous assumptions regarding the acquired asset's future return on investment, the risk of a decline in tenancy rates or unforeseen costs associated with meeting environmental requirements. Property transactions may also give rise to substantial transaction costs which cannot necessarily be compensated, for example, if a transaction is not completed or an acquisition being rescinded due to provisions in the contract or financing reservations. Gaps or shortcomings in due diligence may force the Company to procure unforeseen development and adaptation measures, or may even lead to long-term disputes. Furthermore, there is a risk the Company may not be reimbursed by a counterparty in relation to guarantee claims arising. Should any of the abovementioned risks materialise, it could have a negative impact on the Company's operations, financial position and earnings.

#### *Risks associated with the divestment of properties*

The Company's ability to divest properties at favourable terms depends on the development of the property market in the regions where the Group operates. There is a risk that the property market lack liquid funds or other means to complete acquisitions, which could negatively affect the Company's ability to divest its properties. Should the Company be forced to divest one or more of its properties, for example, due to a decline in the Company's financial condition, there is a risk that such divestment cannot be completed at terms favourable to the company, or at all, which could have a negative impact on the Company's operations, financial position and earnings.

When divesting properties, there is also a risk that any defects will be identified by the new owner after the sale has been completed, which may entitle the owner to reimbursement or corrective measures from the Company. Such claims could have a negative impact on the Company's reputation, operations, financial position and earnings.

#### *Risks relating to the Company's project development*

The Company's operations include new-builds, as well as adapting its existing property portfolio to tenants' needs by way of renovation, extension and other adaptation measures. Extensive property-related projects are associated with substantial investments, and there is a risk that the costs for such investments cannot be compensated for by increased rents or the cutting of costs. Furthermore, the costs associated with investments and projects may be greater than anticipated, as a result of, for example, delays and unforeseen events, including changes to regulations or zoning plans, meaning that premises and/or residential housing cannot be utilised as intended. In the event the Company

cannot receive compensation for such increased costs or income losses, the aforementioned risks, should they materialise, could have a negative impact on the Company's operations, financial position and earnings.

The capacity to carry out new-builds, renovation and extension work as well as tenant adaptations depends on a number of factors, such as the Company obtaining necessary approval from authorities in relation to, for example, zoning plans and construction permits, and engaging sufficiently competent personnel at acceptable terms. The Company's development projects are carried out by external construction firms, meaning that the Company is dependent on access to external suppliers and contractors and the current price level of such services. There is limited access to suppliers providing such services to an extent and level meeting the standards and requirements of the Company. Hence, there is a risk that the Company may be unable to engage external parties in the event any of its existing suppliers resign, or if additional parties are necessary in order to carry out the Company's operations. There is also a risk that one or several of the parties currently engaged by the Company is subject to restructuring, shut-down, acquisition, or similar, which could bring about delays and increased costs for the services provided to the Company. Furthermore, the Company's dependence on external suppliers is associated with certain project-related risks, such as delays, construction defects, hidden or other defects, damage and contamination, which could lead to that the relevant tenants, under certain circumstances, claim compensation from, or cancel their rental agreements with the Company. Delays in relation to development projects may also arise because of that construction permits are not granted or that administrative decisions relating to zoning plans are postponed, whereupon agreements with intended tenants may need to be cancelled. Should one or several of the aforementioned risks materialise, it could have a negative impact on the Company's operations, financial position and earnings.

#### *Risks relating to holdings of properties with site leasehold rights*

Some of the Group's property holdings are held by way of site leasehold right (Sw. *tomträtt*) for which there is a ten-year leasing term. The current leasing terms applicable to the Groups leaseholds expire between 2020 and 2029. If the lease is reassessed by the municipality in question, new lease agreement and the lease in relation to the leasehold right is determined by the applicable value of land and a certain interest rates. There is a risk that such reassessments could lead to a rise in the Company's costs associated with leases, which could have a negative impact on the Company's operations, financial position and earnings.

#### *The Company is subject to environmental risks*

Both the construction of buildings and the activities subsequently taking place at properties have an impact on the environment. Hence, companies engaged in property management are subject to legislation on health, safety and the environment, as well as regulations governing the acquisition, ownership and management of properties. According to the Swedish Environmental Code (Sw. *miljöbalken (1998:808)*), parties whose activities at a property give rise to contamination shall also be liable for decontamination. Where such a party is unable to perform decontamination or carry the cost of such decontamination, liability shall, in certain cases, fall upon the party who owns or has acquired the property, provided that this party was aware of, or ought to have detected, the contamination when the property was acquired. Accordingly, there is a risk of the Company being

held liable for the decontamination of existing properties, or those acquired in future, irrespective of whether the contamination was caused by the Company itself.

Environmental risks associated with the Company's operations primarily entail the risk of contamination and hazardous substances occurring in properties and buildings. The Company is also subject to inspections by the Environmental Department (Sw. *Miljöförvaltningen*) on continuous basis, where there is an inherent risk of that the Company is ordered to take certain corrective measures. Inadequately adopted measures may result in the imposition of enforcement measures, fees or financial penalties and, in some cases, restrictions on the Company's activities.

Should any of the aforementioned risks materialise, it could have a materially negative impact on the Company's operations, financial position and earnings.

*Existing insurance coverage may prove to be insufficient*

Should the Company incur losses relating to damage to its properties, or other losses arising within the scope of its activities, there is a risk that its insurance coverage may prove to be insufficient to compensate for such losses. Certain types of risks may be, both now and in future, impossible or excessively costly for the Company to insure. The Company may incur substantial losses or damages relating to its assets or operations which cannot be compensated in full, or at all, in the event such risks should occur. Where damage to a property is sustained, leading to a party cancelling or refraining from renewal of its rental agreement, there is a risk the Company's insurance coverage may not compensate for the loss of rental income arising in this case. Where damage occurs for which there is no insurance coverage, or the damage sustained exceeds the level of coverage provided, the Company may lose all or part of the capital invested in the property in question, in addition to future revenue generated by the property. Moreover, the Company may be liable for repairing damage attributable to non-insured risks. The Company may also be liable for liabilities and other financial obligations relating to damaged buildings. Uninsured losses, or losses exceeding the level of insurance coverage could have a materially negative impact on the Company's operations, financial position and earnings.

*The Company is dependent on retaining and recruiting competent personnel*

The Company operates with a small and slimmed organisation and a limited number of personnel. Its future development is, to a large extent, dependent on the competence and experience of its management and other key personnel. It is therefore of great importance that the Company succeeds in retaining and motivating its employees and succeeds in recruiting qualified personnel in the future. Should the Company fail to retain or recruit senior management and other key personnel, it could have a materially negative impact on the Company's operations, financial position and earnings.

*The Company may be subject to disputes and legal proceedings*

The Company may become involved in legal proceedings with tenants, suppliers, partners and third parties within the scope of its day-to-day activities, or as a result of property-related transactions or similar. Moreover, the Company, or its board members, senior management, employees or affiliated companies could become subject to investigations or criminal proceedings. Such disputes, claims, investigations and legal proceedings can be time-consuming, may impact day-to-day operations, may entail claims for substantial amounts, may generate considerable legal costs and may also impair the company's reputation. Furthermore, it can be difficult to forecast the outcome and cost

of complex disputes, claims, investigations and legal proceedings. Hence, disputes, claims, investigations and legal proceedings could have a negative impact on the Company's operations, financial position and earnings.

*Laws, regulations and the application thereof may be subject to change - regulations relating to the Company's operations*

The Company's operations are subject to both Swedish and EU legislation, as well as regulations and provisions relating to construction plans and planning, construction standards, safety and security regulations, health and environmental regulations and rules governing permitted construction materials, building classifications and renting and leasing legislation. Novel or amended legislation or regulations, or changes to the application thereof, regarding, for example, ownership, security and safety regulations, health and environmental regulations and operation and rental of properties which apply to the Company's operations, or its tenants, may be associated with increased costs to ensure the Company's compliance. Hence, there is a risk that changes to legal circumstances could have a negative impact on the Company's operations, financial position and earnings.

*Laws, regulations and the application thereof may be subject to change - risks relating to amendments to tax legislation and the Company's tax position*

Perspectives relating to the scale and imposition of corporation, value-added and property tax, as well as other state and municipal duties and subsidies, differ considerably between political parties, and corporate tax legislation is frequently subject to review. Property tax is a substantial cost item for property companies, and amendments to tax legislation could have a substantial impact on the Company's operations, profit and financial position.

Legislative work is continuously ongoing with regard to laws and regulations and established practice concerning the taxation of companies. On 14 June 2018, the Swedish Parliament adopted the Swedish Government's proposals for a new tax legislation with regard to, *inter alia*, interest deduction limitations. The proposals for the new tax legislation follow from the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market. In brief, the new legislation implies the following:

- A general interest deduction limitation rule in the corporate sector will apply meaning that net interest expenses, i.e. the difference between the taxpayer's interest income and deductible interest expenses, is to be deductible only up to 30 per cent. of the taxpayer's EBITDA for tax purposes.
- As an alternative rule, interest deductions of up to a limit of SEK 5 million will always be deductible for tax purposes.
- The corporate income tax rate will be reduced from 22 per cent. to 21.4 per cent. for the financial years commencing after 31 December 2018 and to 20.6 per cent. for the financial years commencing after 31 December 2020.
- It will be possible to offset a taxpayer's net interest expenses against net interest income of an affiliated group company with which the company may exchange group contributions for tax purposes.

- In relation to interest deduction limitation rules for interest costs on loans between affiliated companies, interest costs on loans to affiliated companies will only be deductible if the affiliated company is either a resident in the EEA, in a country with which Sweden has a concluded double tax treaty or is subject to a tax rate of at least 10% on the interest income. No deduction is allowed if the primary reason for the debt is for the group to receive a substantial tax benefit.
- It will be possible to utilise a primary deduction (Sw. *primäravdrag*) in respect of rental housing, meaning that in addition to the normal deduction for depreciation, another 12 per cent. of expenses related to new-builds, reconstruction or renovation may be deducted during a period of six years (*i.e.* 2 per cent. annually) from the completion of rental housing.

The new rules entered into force on 1 January 2019 and apply to the financial year starting on or after 1 January 2019. The manner in which the new legislation will be interpreted and applied is still uncertain. Any aforementioned tax regulation amendments could limit the Group's and the Company's ability to make interest deductions for financial costs. The Company expects that the positive effect of the primary deduction for rental housing and lower corporate tax income rate will be offset by the limitations in interest deductions for financial costs. Depending on the Company's capital structure going forward and the interpretation and application of the new legislation, the recent changes in tax legislation could have a material negative effect on the Company's operations, financial position and earnings.

In March 2017, a proposal was put forward regarding new tax legislation applicable to property owners based on an investigation regarding tax-free sale of properties packaged in companies, so called packaging. In brief, the proposal sets out that if a property is divested through packaging (*i.e.* by divesting the company which owns the property), the divested company shall, in certain situations, be deemed to have divested and bought back the property (so called, Sw. *avskattning*). In order to ensure that packaging is treated equally with a direct divestment of a property, the company owning the property shall as a substitute to stamp duty, account for a standard income (Sw. *schablonintäkt*). The proposal further entails that the classification of properties as inventory items or capital assets is abolished within the corporate sector. No further actions are currently being taken in relation to the proposal and it is uncertain to what extent, if at all, such legislative changes would enter into force. If the legislation comes into force, such changes, depending on the Company's structure at such time, could have a material negative effect on the Company's operations, financial position and earnings.

The taxation structures and accounting methods applied by the Company are based on the interpretation of applicable tax regulations and the requirements of the relevant tax authorities. Should it emerge that the Company's interpretation and application of current tax legislation conflicts with the apprehension of the Swedish Tax Agency (Sw. *Skatteverket*), its previous or present tax position could be brought into question and be subject to an investigation. There is also a risk the Swedish Tax Agency may not approve some or all of the earnings calculations or direct cost deductions recorded by the Company in relation to the Group's deficit deductions. Should the Swedish Tax Agency be successful with such claims or objections, this could lead to an increased tax expense, including tax surcharges and interest costs, which could have a negative impact on the Group's operations, financial position and earnings.

### *Changes to accounting regulations and the application thereof*

The adoption of new laws and ordinances and changes to existing accounting regulations, including, for example, IFRS and other international accounting rules, may lead to the Group needing to amend its procedures in relation to accounting, financial reporting and internal inspection. Such changes may give rise to uncertainty, with a greater risk of the Company interpreting and applying relevant regulations incorrectly. This could have a negative impact on the Group's operations, financial position and earnings.

### **Financial risks**

#### *Interest rate risks and risk related to use of interest rate derivatives*

The Company finances its operations by, *inter alia*, loans from credit institutes, as bringing about long-term liabilities maintained at floating and fixed interest rates. Consequently, interest rate costs constitute one of the Company's largest cost items. Interest rate risk refers to the risk that changes to market interest rates could negatively affect the Group's earnings and cash flow. Interest costs are primarily affected by current market interest rates and the margins of credit institutes as well as any interest lock-in period chosen by the Company. As of 30 December 2018, the average interest rate for the Company's interest-bearing liabilities was 2.6 per cent., including interest rate swaps. Market interest rates are primarily affected by the anticipated rate of inflation, with short-term interest rates governed mainly by the Swedish Central Bank's (Sw. *Riksbanken*) base rate. Decreased as well as increased interest rates could have a negative impact on the Company's operations, financial position and earnings.

Market interest rates could also have an impact on the part of the Company's liabilities consisting of interest rate swaps. As of 30 December 2018, the Company held interest rate swaps for an amount of MSEK 1,560. Interest rate derivatives are reported at fair value. As market interest rates fluctuate, interest rate derivatives are subject to a theoretical increase or decrease in value, which does not impact on cash flow. A decrease in market interest rates would trigger a drop in the market value of the Company's interest rate derivatives, which could have a negative impact on earnings.

#### *Refinancing risks*

Refinancing risks refer to the risk of failure to refinance a loan or other financial obligation due for repayment, or the risk that refinancing only may be obtained at terms unfavourable to the Company, for example at an unfavourable interest rate. Property companies often have significant levels of indebtedness and several creditors, meaning that borrowings fall due relatively frequently. The Company is primarily financed through bank loans with securities in property values but also by way of a bond loan that was issued in February 2018.

All long term bank loans of the Company are governed under framework agreements (Sw. *ramavtal*) regulating both general terms as well as duration. The most recent renegotiation took place in 2018 and as of 30 December 2018, it had been agreed to refinance debt amounting to MSEK 319 falling due during the first quarter 2019. As of 30 December 2018, the average term for tied-up capital was 1.2 years and the Company strives to achieve longer duration for tied-up capital. Shorter duration for tied-up capital brings about more frequent renegotiations, which could entail greater refinancing risks.

On 26 February 2018, the Company issued corporate bonds with ISIN SE0010833491 at an amount of MSEK 350 within a framework amount of MSEK 500. The bonds carry a floating rate interest of

three months STIBOR plus 4.5 per cent. annually. The bonds are governed by terms and conditions according to which bondholders have a put option subject to certain conditions. Furthermore, there is a risk of default subject to certain conditions. Any utilisation of a put option or default situation, as well as the Company utilising its call options, may entail refinancing risks.

There is a risk the Company may not be able to obtain additional financing, that existing financing will be cancelled and repayment requested immediately, or that new financing only may be obtained at terms less favourable to the Company. The Company, or other Group Companies, are at risk being default under existing financing agreements, which may entitle the lender to cancel the facility and demand immediate payment, while claiming the pledged collateral. In order to secure bank financing, the Group usually issues pledges over properties and shares in subsidiaries in form of a parent guarantee. Where a loan is cancelled and immediate repayment is requested, cross-default provisions may be triggered resulting in that further obligations fall due and that security is enforced. If, in future, the Company is unable to obtain the necessary financing or lacks the liquidity required in order to meet its obligations, is unable to refinance any obligations or may only be able to refinance obligations at significantly higher costs or fails to carry out a successful acquisition strategy bringing liquidity, this could have a negative impact on the Company's operations, financial position and earnings.

*The Company's operations are partially financed by state financing*

A certain proportion of the Company's development projects are financed by investment funds from Swedish authorities and the EU. The decision to grant and disburse such subsidies is contingent upon certain conditions, for example, the Company must adhere to the plan outlined in the application and, upon completion, submit a final report describing the project outcome. There is a risk that the Company fails to comply with any conditions for obtaining subsidies due to internal as well as external factors, some of which may be outside of the Company's control. Should the Company be unable to comply with any conditions governing eligibility for subsidies, the relevant authority may be entitled to reclaim all or part of the subsidy which has been disbursed, or refrain from disbursing any amount outstanding. Should the Company be requested to repay a substantial amount, or if any part of the subsidy is not disbursed as planned, it could have a negative impact on the Company's operations and earnings

For certain projects, the Company has relied on subsidies that are conditional upon that rent is kept at a certain limited levels corresponding to a pre-set standard rate (Sw. *normhyra*). There is a risk that political decisions result in that such subsidies become unavailable in the future due to revised state budgets which could result in that any planned projects or new investments cannot be made or initiated using such subsidies in the same manner as previously. Should the political climate change or budgetary decisions result in that previously available subsidies become unavailable, it could lead to that planned projects may need to be revised or to unexpected costs, which, in turn, would have a negative impact on the Company's operations, financial position and earnings.

*Risks related to changes in control*

A number of the Company's operational agreements contain so-called change of control clauses, which entitle the counterparty to cancel relevant agreements, without the observance of a notice period, in the event the Company undergoes a change of ownership. For example, the Group's loan and security agreements provides an obligation for the Company to obtain written approval from lenders or pledgees prior to an imminent significant business event or change of control. In relation

to the Company's outstanding bond loan, a Change of Control Event (as defined in the bond terms and conditions) may trigger a put option resulting in a prepayment of bonds. In the event the Company undergoes a relevant change of control, there is a risk that one or more of its contractual parties will cancel their agreements. This could have a negative impact on the Company's operations, financial position and earnings.

#### *Credit and counterparty risks*

A counterparty risk refers to the risk of a counterparty being unable to meet its obligations under the contractual relationship by a relevant due date. The Company is exposed to counterparty risks in relation to the agreements entered into by the Group regarding interest-rate swaps and credit facilities, as well as with regard to its tenants.

Should the Company's counterparties fail to meet their obligations in relation to the Company, it could have a negative impact on the Company's operations, financial position and earnings.

#### *Liquidity risks*

Liquidity risk refers to the risk that the Company cannot meet its payment obligations pertaining to financial liabilities and operating costs at any maturity date without the cost for obtaining cash increasing significantly. The Company is dependent on access to liquid funds in order to meet its financial obligations pertaining to, among other things, operating costs, completion of investments and payment of interest and repayments associated with existing financing within the Group. Should the Group lack sufficient liquidity to meet its obligations, it could have a negative impact on the Company's operations, financial position and earnings.

### **Risks related to the Capital Securities**

#### *Credit risks*

An investment in the Capital Securities carries a credit risk relating to the Company and the Group. The holders' ability to receive payment under the Terms and Conditions of the Capital Securities is therefore dependent upon the Company's and the Group's ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, a number of which have been discussed in this material.

An increased credit risk may cause the market to charge the Capital Securities a higher risk premium, which would affect the Capital Securities' value negatively. Another aspect of the credit risk is that any deterioration in the financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the redemption of the Capital Securities.

#### *Refinancing risk*

The Company may be required to refinance its outstanding debt, including the Capital Securities. The Company's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Company's financial position at such time. Even if the markets and the Company's financial position improve, the Company's access to financing sources may not be available on acceptable terms, or at all. The Company's inability to refinance its debt



obligations on acceptable terms, or at all, could have a material adverse effect on the Company's operations, earnings and financial position and on the holders' recovery under the Capital Securities.

#### *Interest rate risks*

The value of the Capital Securities is dependent on several factors, including the level of the general market interest rates over time. The Capital Securities carry interest at a floating rate of STIBOR (3 months) plus the applicable Margin. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. An increase of the general interest rate level could adversely affect the value of the Capital Securities. The interest rate level is to a high degree affected by the financial development at large and is outside the Group's control.

#### *Currency risk*

The Capital Securities will be denominated and payable in SEK. If investors in the Capital Securities measure their investment return by reference to a currency other than SEK, an investment in the Capital Securities will entail foreign exchange-related risks. For example, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Capital Securities below their stated coupon rates and could result in a loss to investors when the return on the Capital Securities is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the Capital Securities. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

#### *Dependence on subsidiaries*

A significant part of the Group's assets, revenues and cash flow relate to the Company's subsidiaries. Accordingly, the Company may be dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Capital Securities. The subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Capital Securities, or to make funds available for such payments. The ability of the subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds, corporate and tax restrictions and the terms of each entity's indebtedness.

Should the value of the business conducted in the subsidiaries decrease, and/or should the Company not receive sufficient income from its subsidiaries, the investors' ability to receive payment under the Terms and Conditions may be adversely affected.

#### *Structural subordination and insolvency of subsidiaries*

As mentioned above, a significant part of the Group's assets and revenues relate to the Company's subsidiaries. The subsidiaries are legally separated from the Company and the subsidiaries' ability to make payments to the Company is restricted by, among other things, the availability of funds, corporate and legal restrictions. In the event of insolvency, liquidation or a similar event relating to one or several of the Company's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Thus, the Capital Securities are structurally subordinated to the liabilities of such subsidiaries. Defaults by, or the insolvency of, certain subsidiaries may result in the

obligation for the Company to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Company and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

#### *Subordinated obligations of the Company*

The Capital Securities represent deeply subordinated debt obligations of the Company. This means that if the Company is subject to any dissolution, winding-up, liquidation, restructuring (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 an Issuer Re-construction (each as defined in the Terms and Conditions) 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 Company in respect of Parity Securities (as defined in the Terms and Conditions). Furthermore, claims will rank junior in right of payment to any present or future claims of all unsubordinated obligations of the Company and all Subordinated Indebtedness (as defined in the Terms and Conditions). In relation to an Issuer Winding-up (as defined in the Terms and Conditions), claims will however rank in priority to all present and future claims in respect of the ordinary shares of the Company and any other obligation of the Company expressed to rank junior to the Capital Securities or any Parity Securities. As the holders only will have an unsecured claim against the Company, the holders may not recover any or all of its investment.

Other than the remedies set out under the Section 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 Company 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.

Each 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 Company becomes liquidated, bankrupt, insolvent, carries out a restructuring or is wound-up.

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

If a default is made by the Issuer for a period of 30 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 instigating 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. Whilst the claims of the holders in an Issuer Winding-up are for the principal amount of their Capital Securities together with any Deferred Interest and any other accrued and unpaid interest, such claims will be subordinated as provided above under "*The Capital Securities are subordinated to most of the Issuer's liabilities*". Accordingly, claims in respect of the Capital Securities would rank junior to claims in respect of unsubordinated obligations of the Issuer in the

event of an Issuer Winding-up. The holders are not entitled to accelerate payments of interest or principal under the Capital Securities in any circumstances outside an Issuer Winding-up.

Furthermore, whilst the holder may instigate 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.

*No limitation of 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 Company 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 Company is subject to any dissolution, winding-up, liquidation, restructuring (Sw. *företagsrekonstruktion*), 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 Capital Securities constitute perpetual obligations*

The Capital Securities are perpetual meaning that the Capital Securities have no specified maturity date. The Company is not obliged to redeem the Capital Securities at any times and holders have no option to redeem the Capital Securities at any time. The Company may only redeem the Capital Securities in the circumstances described under Section 12 (*Redemption and repurchase of Capital Securities*) in the Terms and Conditions.

Any investor shall be aware of that it may be required to bear financial risks of the investment in the Capital Securities for a long period of time, in particular if no active trading on the secondary market occurs. Any investor shall also be aware of that it may not recover its investment in the Capital Securities before the Capital Securities are redeemed at the discretion of the Company. Any investor should therefore be aware that there is a risk that it may lose the whole or a part of its investment if the Company chooses not to redeem the Capital Securities.

*Deferral of interest payment*

The Company may, at its sole discretion 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 Company has no obligation to make such payment on the relevant Interest Payment Date (as defined in the Terms and Conditions) 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 Company's financial position and may result in that the yields from the Capital Securities are less foreseeable.

*Risks related to sustainable Capital Securities*

The Company intends to use the Net Proceeds of the issue of the Initial Capital Securities and any Subsequent Capital Securities in accordance with the Company's sustainable bond framework (the "**Sustainable Bond Framework**") in force as at the relevant Issue Date. As such, Capital Securities are issued to comply with the Sustainable Bond Framework as it appears on the Issue Date for the relevant Capital Securities and any changes made to the Sustainable Bond Framework after the initial issuance of the Capital Securities will not influence the Capital Securities issued in the Initial Capital Securities issue. However, the Company's Sustainable Bond Framework as well as the prevailing market practices and market standards for sustainable bonds may develop or change after the issuance of the Capital Securities, which may entail changes in the Sustainable Bond Framework applicable in relation to any Subsequent Capital Securities and may also entail changed conditions for the Company.

There is currently no clear definition of, whether legal or otherwise, or market consensus as to what constitutes, a "sustainable" or an equivalently-labelled project or what is precisely required for that a particular project may be defined as "sustainable" or equivalently labelled. Accordingly, there is a risk that any projects, asset or uses defined in the Sustainable Bond Framework will not meet current or future investor expectations regarding such "sustainable" or other equivalently-labelled performance objectives. There is also a risk that future developments in the definitions of "sustainable" projects, towards which proceeds may be applied in accordance with the Sustainable Bond Framework, render the eligible projects for the Capital Securities Issue, as described in the Sustainable Bond Framework, obsolete.

The proceeds from the Capital Securities Issue are to be applied in accordance with the Sustainable Bond Framework. There is a risk that such use of proceeds cannot satisfy present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor is required to comply, whether according to applicable law or regulations or by such investor's own by-laws, other governing rules or investment portfolio mandates, (inter alia with regard to any direct or indirect environmental, sustainability or social impact of any projects, assets or uses that are described in the Sustainable Bond Framework). Furthermore, the Capital Securities categorise as a different type of bond investment than such debt instruments that a presumptive bond investor may have invested in historically. There is a risk that the Capital Securities issued in accordance with the Sustainable Bond Framework do not correspond to, or otherwise meet, the expectations of investors, the current request for such investments on the market for bonds in general or sustainable bonds in particular or that investors may lack the mandate to invest in sustainable bonds.

A failure by the Company to meet the Sustainable Bond Framework does not cause the Company to redeem the Capital Securities. Hence, there is a risk that the expectations of investors, insofar such expectations are related to the compliance with the Sustainable Bond Framework, are not met.

*Risks related to third party certification*

The Company has appointed CICERO Center for International Climate Research ("**CICERO**") for an independent, research-based evaluation of the Company's Sustainable Bond Framework to

determine its environmental robustness. The evaluation has resulted in a second opinion dated on 31 March 2019 (the “**Second Opinion**”). CICERO is neither responsible for how the Sustainable Bond Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is CICERO responsible for the outcome of investments in projects described as eligible projects in the Sustainable Bond Framework. There is a risk that the suitability or reliability of any opinions issued by CICERO or any other third party, which may be made available in connection with the issue of Capital Securities or the issue of Subsequent Capital Securities, may be questioned by the Company, a potential investor, the holders or any third party. As any such opinion or certification only is current as of the date that opinion was initially issued, there is a risk that such opinion or certification may be deemed irrelevant at a later stage or by any investors in the Capital Securities. Furthermore, the providers of such opinions and certifications are currently not subject to any specific regulatory or other regime or oversight, and there is a risk that such providers will be deemed as not being reliable or objective in the future.

#### *Liquidity risks*

The Company has an intention to list the Capital Securities on the sustainable bond list of Nasdaq Stockholm within 30 days after the issue date of the Capital Securities. There is a risk that the Capital Securities will not be admitted to trading within 30 days (or at all), in which case an investor 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 First Issue Date, there is a risk that the Capital Securities will not fulfil 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.

Further, there is not always active trading in the securities and there is a risk that there will not be a liquid market for trading in the Capital Securities or that this market will be maintained even if the Capital Securities are listed. This may result in that the holders cannot sell their Capital Securities when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Capital Securities. Furthermore, the nominal value of the Capital Securities may not be indicative compared to the market price of the Capital Securities if they are admitted for trading on Nasdaq Stockholm.

It should also be noted that during a given time period it may be difficult or impossible to sell the Capital Securities (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

#### *The market price of the Capital Securities may be volatile*

Except for the volatility that may be the result of interest deferrals, the market price of the Capital Securities could be subject to significant fluctuations in response to actual or anticipated variations in the Company’s and the Group’s operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Capital Securities, as well as other factors, some of which have been discussed above. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations,

which, if repeated in the future, could adversely affect the market price of the Capital Securities without regard to the Company's operating results, financial position or prospects.

#### *Risks related to listing on the Sustainable Bond List of Nasdaq Stockholm*

The Company intends to seek for listing of the Capital Securities on the Sustainable Bond List of Nasdaq Stockholm. In order to be eligible for such listing, certain commercial criteria have to be met, including the filing of the Sustainability Framework and any external review, such as the Second Opinion. The Capital Securities are not de-listed if the Company fails to comply with such requirements, but there is a risk that the Capital Securities are removed from the Sustainable Bond List of Nasdaq Stockholm and are instead listed on the Corporate Bond List of Nasdaq Stockholm. Should such removal of the Capital Securities from the Sustainable Bond List of Nasdaq Stockholm occur, there is a risk that the expectations of investors, insofar such expectations are related to the listing on the Sustainable Bond List of Nasdaq Stockholm, are not met, which in turn could impair the secondary trading in the Capital Securities.

#### *European Benchmarks Regulation*

The process of the calculation of STIBOR and other interest rate benchmarks are subject to certain regulatory initiatives, whereof some have been implemented and others are to be implemented. The most important initiative is the Benchmarks 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 "**Benchmarks Regulation**"). The Benchmarks Regulation regulates the provision of benchmarks, contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the EU.

Since the Benchmarks Regulation has only been applicable for a limited period of time and certain provisions are still subject to transitional periods, the effects of the regulation cannot be fully assessed. There is a risk that the Benchmarks Regulation may affect how interest rate benchmarks are calculated and developed. This, in turn, may give rise to increased volatility for some interest rate benchmarks. In addition, the increased administrative requirements and associated regulatory risks may decrease the incentives to participate in the determination of interest rate benchmarks or may result in that the publishing of certain benchmarks will cease. Should this occur in relation to the interest rate benchmark applied to the Capital Securities, it could adversely affect the holders' ability to assess their investments in the Capital Securities.

#### *Influence of major shareholders and change of control*

As of 30 December 2018, the two largest shareholders combined held approximately 62 per cent. of the shares and 71 per cent. of the votes in the Company, and such shareholders are in turn either represented by or owned by certain founders, senior executives or members of the board of directors of the Company. The Company may, as a result of these shareholders' holdings in the Company, be controlled by certain majority shareholders whose interests may differ significantly from or compete with the Company's or the Group's interests or those of the holders and it is possible that such shareholders may exercise influence over the Company and the Group in a manner that is not in the best interests of the holders, particularly if the Company encounters difficulties or is unable to pay its debts as they fall due. Any majority shareholders have legal power to control a large amount of

the matters to be decided by vote at a shareholder's meeting. For example, majority shareholders will have the ability to elect the board of directors, thus influencing its direction of the Group's operations and other affairs. Furthermore, majority shareholders may have an interest to pursue acquisitions, divestments, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve undesired risks for the holders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position, which in turn could affect the holders' recovery under the Capital Securities.

In addition, the concentration of share ownership could, depending on the circumstances, accelerate, delay, postpone or prevent a change of control in the Group and impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may or may not be desired by the holders or involve risks to the holders. Such conflict of interest could have a material adverse effect on the Group's operations, earnings and financial position and adversely affect the investor's ability to receive payment under the Terms and Conditions.

According to the Terms and Conditions, if a change of control event occurs, the Company may redeem the Capital Securities at par or at a premium. There is a risk that the redemption amount does not reflect the market price for the Capital Securities at the time of redemption.

#### *Risks related to redemption and repurchase of Capital Securities*

Upon the occurrence of an Accounting Event, a Substantial Repurchase Event, a Tax Event or a Withholding Tax Event, (each as defined in the Terms and Conditions) the Company may redeem the Capital Securities in whole, but not some only, at any time at 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 Company 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 Company 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 Company, cancelled. In addition, upon the occurrence of a Change of Control (as defined in the Terms and Conditions) the Company 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 have 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.

#### *No action against the Company and holders' representation*

In accordance with the Terms and Conditions, the holders' agent will represent all holders in all matters relating to the Capital Securities and the holders are prevented from taking actions on their own against the Company. Consequently, individual holders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security and/or guarantee and may therefore lack effective remedies unless and until a requisite majority of the

holders agree to take such action. However, there is a risk that a holder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Capital Securities or other action against the Company. To enable the holders' agent to represent holders in court, the holders may have to submit a written power of attorney for legal proceedings. The failure of all holders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the holders' agent will in some cases have the right to make decisions and take measures that bind all holders. Consequently, the actions of the holders' agent in such matters could impact a holder's rights under the Terms and Conditions in a manner that would be undesirable for some of the holders.

#### *Holdings' Meetings*

The Terms and Conditions will include certain provisions regarding holders' meetings. Such meetings may be held in order to resolve on matters relating to the holders' interests. The Terms and Conditions will allow for stated majorities to bind all holders, including holders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted holders' meeting. Consequently, the actions of the majority in such matters could impact minority holders' rights in a manner that would be undesirable for them.

#### *No voting rights*

The Capital Securities constitute subordinated debt but any holders' claims will rank in priority to all present and future claims in respect of the ordinary shares of the Company. However, the Capital Securities carry no voting rights with respect to general meetings of the Company. Consequently, the holders cannot influence, inter alia, any decisions by the Company to defer payments or to optionally settle outstanding payments or any other decisions made by the Company's shareholders concerning the Company's capital structure. The lack of availability to influence the capital structure could impact holders' position and Capital Securities in a manner that would be undesirable for them.

#### *The Capital Securities may not be a suitable investment for all investors*

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 material 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.



*Restrictions on the transferability of the Capital Securities*

The Capital Securities are and will not be registered, and may be restricted, in United States, Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Capital Securities may be restricted by law.

Holders may be subject to purchase or transfer restrictions with regard to the Capital Securities, as applicable from time to time under local laws to which a holder may be subject (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with local laws and regulations applicable at its own cost and expense. Due to these restrictions, there is a risk that a holder cannot sell its Capital Securities as desired.

*Risks relating to the clearing and settlement in Euroclear Sweden's book-entry system*

The Capital Securities will be affiliated with Euroclear Sweden's account-based system, and no physical Capital Securities will be issued. Clearing and settlement relating to the Capital Securities will be carried out within Euroclear Sweden's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of Euroclear Sweden's account-based system, which is a factor that the Company cannot control. If Euroclear Sweden's account-based system would not function properly, there is a risk that investors would not receive payments under the Capital Securities as they fall due.

*Amended or new legislation*

This material is and the Terms and Conditions will be based on Swedish law in force at their respective date of issuance. The impact of any possible future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. There is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

*Conflict of interests*

The Sole Bookrunner have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, there is a risk that conflicts of interest may exist or may arise as a result of the Sole Bookrunner having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. There is a risk that such conflicts of interest will adversely affect the Group's ability to renew or maintain existing financing or obtain further financing and in turn have a negative effect on the Group's operations, earnings and financial position.

### **Responsible for the information in the Prospectus**

The Company issued the Capital Securities on 17 April 2019. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Capital Securities on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the actual conditions and that no information has been omitted which may distort the picture of the Company. The information in the Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Malmö on 9 May 2019

**FASTIGHETS AKTIEBOLAGET TRIANON (PUBL)**

*The board of directors*

## The Capital Securities in brief

This section contains a general and broad description of the Capital Securities. It does not claim to be comprehensive or cover all details of the Capital Securities. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference (see below section “Overview of financial reporting and documents incorporated by reference”) and the full Terms and Conditions for the Capital Securities, which can be found in section “Terms and Conditions for the Capital Securities”, before a decision is made to invest in the Capital Securities.

Concepts and terms defined in section “Terms and Conditions for the Capital Securities” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

## Summary of the Capital Securities

### General

Issuer .....	Fastighets Aktiebolaget Trianon (publ), a public limited liability company incorporated under the laws of Sweden with registration number 556183-0281.
Resolutions, authorisations and approvals .....	The Company’s board of directors resolved to issue the Capital Securities on 27 March 2019.
The Capital Securities offered .....	Up to SEK 500,000,000 in an aggregate principal amount of subordinated perpetual floating rate capital securities. As at the date of this Prospectus, SEK 400,000,000 of the Capital Securities have been issued (the “ <b>Initial Capital Securities</b> ”). The Capital Securities are debt instruments (Sw. <i>skuldförbindelser</i> ) of the type set forth in Chapter 1 Section 3 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i> ), which confirms that each Holder has a claim against the Issuer and which are intended for public market trading.
Number of Capital Securities	Maximum 250. At the date of this Prospectus, 200 Capital Securities have been issued.
ISIN.....	SE0012453900.
First Issue Date.....	17 April 2019.
Subsequent Capital Security Issue .....	The Issuer may, at one or more occasions after the First Issue Date, issue Subsequent Capital Securities under the Terms and Conditions, provided that the Total Nominal Amount of the Capital Securities under such Subsequent Capital Security Issue(s) and the Initial Capital Security Issue may not exceed

SEK 500,000,000 unless consent is obtained from the Holders in accordance with the Terms and Conditions.

Subsequent Capital Securities shall be issued subject to the Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Maturity Date applicable to the Capital Securities issued in the Initial Capital Security Issue shall also apply to Subsequent Capital Securities.

Price.....	The Initial Capital Securities are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount. The price of Subsequent Capital Securities may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.
Redemption .....	<p>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 12 under the Terms and Conditions of the Capital Securities (please refer to Section “Redemption and re-purchase” further below).</p> <p>The Capital Securities are not redeemable at the option of the Holders at any time.</p>
Initial Nominal Amount .....	The Capital Securities have a nominal amount of SEK 2,000,000, and full multiples thereof. The minimum permissible investment in connection with the Initial Capital Security Issue is SEK 2,000,000.
Status of the Capital Securities .....	<p>The Capital Securities are denominated in SEK.</p> <p>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.</p> <p>In the event of a voluntary or involuntary liquidation (Sw. <i>likvidation</i>) or bankruptcy (Sw. <i>konkurs</i>) of the Issuer (each an “<b>Issuer Winding-up</b>”), the Holders shall 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) <i>pari passu</i> without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity</p>

Securities, (ii) in priority to all present and future claims in respect of the ordinary 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 re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*) the Holders shall 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.

Use of Proceeds.....	The Net Proceeds of the Initial Capital Security Issue and the Net Proceeds of the issue of any Subsequent Capital Security Issue shall be applied by the Issuer in accordance with the Issuer's Sustainability Bond Framework.
Payments in respect of Capital Securities.....	Any payment or repayment under the Terms and Conditions, or any amount due in respect of a repurchase of any Capital Securities, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such 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 similar.

#### **Interest and Interest Rate**

Interest Rate.....	Interest on the Capital Securities is paid at a rate equal to the sum of (i) 3 months STIBOR plus (ii) the Margin. The Margin equals (subject to Clause 10.4 ( <i>Step-up</i>
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after a Change of Control Event) of the Terms and Conditions):

- (i) in respect of the period from (but excluding) the First Issue Date to (and including) the First Call Date, 7.00 per cent. *per annum*;
- (ii) in respect of the period from (but excluding) the First Call Date to (and including) 17 April 2025, 9.00 *per annum*;
- (iii) in respect of the period from (but excluding) 17 April 2025 to (and including) 17 April 2027, 10.00 *per annum*;
- (iv) in respect of the period from (but excluding) 17 April 2027 to (and including) 17 April 2029, 11.00 *per annum*; and
- (v) from (but excluding) 17 April 2029 and thereafter, 12.00 *per annum*.

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).

Step-up after a Change of Control Event .....	Notwithstanding any other provision of Clause 10 in the Terms and Conditions, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 12.5 ( <i>Voluntary redemption due to a Change of Control Event</i> ) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of Clause 10, on the Capital Securities shall be increased by five (5.00) per cent. <i>per annum</i> with effect from (but excluding) the Change of Control Step-up Date.
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 of two (2) per cent. <i>per annum</i> . See further Clause 10.5 ( <i>Default Interest</i> ) of the Terms and Conditions.
Interest Payment Dates.....	Subject to any Optional interest deferral, Interest is to be paid quarterly in arrears on 17 January, 17 April, 17 July and 17 October each year, with the first Interest

Payment Date being 17 July 2019 and the last Interest Payment Date being the relevant Redemption Date.

Interest will accrue from (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date) and, in respect of any Subsequent Capital Securities, each Interest Period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance (or the First Issue Date if there is no such Interest Payment Date) and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date).

### **Deferred Interest**

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 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. Such deferral shall not constitute a default according to the Terms and Conditions. See further Clause 11.1 (*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 on which the Issuer will pay such Deferred Interest. See further Clause 11.2 (*Optional settlement of deferred Interest*) of the Terms and Conditions.

Mandatory settlement of deferred  
Interest.....

The Issuer shall pay any Deferred Interest, in whole but not in part, on the first date to occur of: (i) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs, (ii) 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 (iii) the date on which the Capital Securities are redeemed or repaid

in accordance with Clause 12 of the Terms and Conditions. See further Clause 11.3 (*Mandatory settlement of deferred Interest*) of the Terms and Conditions.

### **Redemption and re-purchase**

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 12.2 ( <i>The Group Companies' purchase of Capital Securities</i> ), Clause 12.3 ( <i>Voluntary redemption by the Issuer (call option)</i> ), 12.4 ( <i>Voluntary redemption due to a Special Event</i> ), 12.5 ( <i>Voluntary redemption due to a Change of Control Event</i> ), and 12.6 ( <i>Cancellation of Capital Securities</i> ) under the Terms and Conditions of the Capital Securities.
The Group Companies' purchase of Capital Securities .....	The Issuer or any other Group Company may, subject to applicable law, at any time and at any price purchase Capital Securities in the market or in any other way. See further Clause 12.2 ( <i>The Group Companies' purchase of Capital Securities</i> ) of the Terms and Conditions.
Voluntary redemption by the Issuer (call option).....	The Issuer may redeem all, but not only some, of the 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 from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date. See further Clause 12.3 ( <i>Voluntary redemption by the Issuer (call option)</i> ) of the Terms and Conditions.
Voluntary redemption due to a Special Event.....	Upon a Special Event (as defined in the Terms and Conditions) 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 (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 accrued interest. See further Clause 12.4 ( <i>Voluntary redemption due to a Special Event</i> ) of the Terms and Conditions.



Voluntary redemption due to a Change of Control Event..... Upon a Change of Control Event occurring, the Issuer may 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 accrued interest. See further Clause 12.5 (*Voluntary redemption due to a Change of Control Event*) of the Terms and Conditions.

Cancellation of Capital Securities All Capital Securities which are redeemed pursuant to Clauses 12.3 to 12.5 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 12.2 (*The Group Companies' purchase of Capital Securities*) will be cancelled and may not be reissued or resold.

#### **Holder's rights**

Decisions by Holders ..... Any request made from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount 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 of a Written Procedure, as determined by the Agent.

Holder's Meeting..... The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s).

Written Procedure ..... The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent.

#### **Admission to trading and listing**

Admission to trading ..... 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 trading 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 within thirty (30) days after the First Issue Date, (ii) any Subsequent Capital Securities are admitted to trading 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 within thirty (30) days following the relevant subsequent issue date, and (iii) that the Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon.

Listing .....

Application for listing of the Capital Securities on the sustainable bond list of Nasdaq Stockholm will be filed in connection with the SFSA's approval of this Prospectus. Subsequent Capital Securities may be admitted to trading as a result of a Subsequent Capital Security Issue. The earliest date for admitting the Capital Securities to trading on Nasdaq Stockholm is on or about 17 May 2019. The costs for listing of the Capital Securities are expected to amount to SEK 85,000.

#### **Miscellaneous**

Transfer restrictions.....

The Capital Securities are freely transferable. All Capital Securities transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Capital Securities transferees upon completed transfer. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Capital Securities, (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

Agent .....

Nordic Trustee & Agency AB (publ), reg.no. 556882-1879, P.O. Box 7329, 103 90, Stockholm, Sweden.

CSD.....

The Capital Securities are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Capital Securities are registered on behalf of the Holders on a securities account (Sw. *VP-konto*) in accordance with the Central Securities Depositories and Financial

	Instruments Accounts Act. No physical Capital Securities have been or will be issued and registration requests relating to the Capital Securities shall be directed to an Account Operator.
Governing law of the Capital Securities .....	Swedish law.
Time-bar .....	The right to receive repayment of the principal of the Capital Securities shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment.
Risk factors.....	Investing in the Capital Securities involves substantial risks and prospective investors should refer to section “ <i>Risk Factors</i> ” for a discussion of certain factors that they should carefully consider before deciding to invest in the Capital Securities.

## The Company and its operations

### Introduction

Fastighets Aktiebolaget Trianon (publ) is a public limited liability company registered in Sweden with registration number 556183-0281, having its registered address at Västra Kanalgatan 5, 211 41, Malmö, Sweden. The Company was formed on 5 June 1973 and registered with the Swedish Companies Registration Office on 15 August 1973. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

### Share capital, shares, ownership structure and governance

According to its articles of association, the Company's share capital shall be no less than SEK 70,000,000 and not more than SEK 180,000,000 divided into no less than 28,000,000 shares and not more than 112,000,000 shares. The Company's current share capital amounts to SEK 85,913,750 divided among 1,521,118 ordinary shares of series A (Sw. *stamaktier av serie A*) and 32,844,382 ordinary shares of series B (Sw. *stamaktier av serie B*). Ordinary shares of series A entitles the holder to one (1) vote, and ordinary shares of series B entitles the holder to one tenth of a (1/10) vote. The shares are denominated in SEK.

Since 21 June 2017, the Company's ordinary shares of series B are traded on Nasdaq First North Premier, with trading symbol TRIAN B and ISIN SE0009921471. The Company is the parent company in the Group and the Group's business is conducted in the Company and its 47 wholly owned and 4 partly owned subsidiaries as well as 3 associated companies, outlined in the tables below. As the revenues of the Group to a large part are derived from the subsidiaries and associated companies, that the Company is dependent upon dividends from such subsidiaries and associated companies.

Directly owned subsidiaries	Share	Reg. no
Trianon Cineasten AB	100 per cent.	556050-4721
Trianon Vårsången AB	100 per cent.	556645-6819
Trianon Vårsången 2 AB	100 per cent.	556984-5646
Vårsången Invest AB	100 per cent.	559023-3788
Lärjungen Lägenheter 11 AB	100 per cent.	556875-5226
Trianon Fjällrutan AB	100 per cent.	556758-4171
Trianon Invest AB	100 per cent.	556258-6239
Trianon Resursen AB	100 per cent.	556082-2610
Trianon Storgatan AB	100 per cent.	556749-3738
Trianon Lerstorken AB	100 per cent.	556734-9831
Trianon Antilopen AB	100 per cent.	556910-8987
Trianon Slussen AB	100 per cent.	556939-3910
Fastighets AB Örestrand	100 per cent.	556935-8038
Trianon Hermodsdal 4 AB	100 per cent.	556894-9589
Trianon Hermodsdal 5 AB	100 per cent.	556894-9571

Trianon Stacken AB	100 per cent.	556894-9563
Trianon Gäsen AB	100 per cent.	556997-3257
Trianon Hämplingen AB	100 per cent.	556997-3240
Trianon Kil AB	100 per cent.	556997-5096
Trianon Torna AB	100 per cent.	556997-2382
Trianon Notarien AB	100 per cent.	556997-3190
Trianon Omsorg AB	100 per cent.	556790-5814
Trianon Lerteglet 2 AB	100 per cent.	556935-0407
Fastighets AB Sockerbetan Holding AB	100 per cent.	556878-0562
Trianon Gunghästen AB	100 per cent.	556953-6344
Trianon Rosengård Centrum AB	100 per cent.	556730-3168
Trianon Concordia AB	100 per cent.	559066-5534
Trianon No 1 Holding AB	100 per cent.	556731-6046
Trianon Sege Park AB	100 per cent.	559058-8348
Trianon Rolf AB	100 per cent.	559106-8795
Trianon Lerteglet 1 AB	100 per cent.	559015-0008
Trianon Murtegetlet 1	100 per cent.	559008-9842
Trianon Mozart I AB	100 per cent.	559133-5087
Trianon Mozart II AB	100 per cent.	559133-5079
Trianon Bunkeflostrand AB	100 per cent.	559150-9558
Trianon Jordlotten AB	100 per cent.	559155-0248
Trianon Seved AB	100 per cent.	559155-0271
Trianon Vivaldi AB	100 per cent.	559165-1608
Fastighets AB Tabelsong	100 per cent.	559165-1558
Trianon Hermodsdal 6 AB	100 per cent.	559184-2165
Trianon Hermodsdal 7 AB	100 per cent.	559184-2173
Malmö Mozart Fastighets AB	58 per cent.	559133-5186
Skattmäsen po Limhamn AB	50.0 per cent.	556696-8763
Skattmäsen po Limhamn KB <sup>1</sup>	49.5 per cent.	969716-8814

<b>Indirectly owned subsidiaries</b>	<b>Share</b>	<b>Reg. no.</b>
Trianon Vakteln AB	100 per cent. <sup>2</sup>	556873-0104
Trianon Domicilium AB	100 per cent. <sup>3</sup>	556714-6286
Malmö Häggen AB	67.5 per cent. <sup>4</sup>	556670-4879

<sup>1</sup> The Company holds 49.5 per cent. directly and 0.5 per cent. indirectly, whereby the Company controls 50 per cent. in Skattmäsen KB.

<sup>2</sup> Wholly owned via wholly owned Lärjungen Lägenheter 11 AB.

<sup>3</sup> Partly owned via wholly owned Trianon No 1 Holding AB.

<sup>4</sup> Wholly owned via wholly owned Fastighets AB Sockerbetan Holding AB.

Munkhättegatan Fastighets AB	100 per cent. <sup>5</sup>	559165-1566
Trianon Jordlotten KB	100 per cent.	969665-7080
Trianon Orten KB	100 per cent. <sup>6</sup>	916837-4651
Trianon Sofielund KB	100 per cent. <sup>7</sup>	969697-6191

Associated companies	Share	Reg. no.
Söderfrö Fastighets AB	50.0 per cent.	556653-9960
Svedala Livsmedel AB	25.5 per cent.	556977-2568
Five Tre Fastighets AB	50.0 per cent.	556680-8480

The largest shareholders of the Company are: Briban Invest AB<sup>8</sup> with 30.82 per cent. of the share capital and 35.58 per cent. of the votes; Olof Andersson<sup>9</sup> with 30.78 per cent. of the share capital and 35.55 per cent. of the votes; AB Grenspecialisten with 10.02 per cent. of the share capital and 7.16 per cent. of the votes; Mats Cederholm<sup>10</sup> with 3.94 per cent. of the share capital and 4.23 per cent. of the votes; Länsförsäkringar Fastighetsfond with 3.86 per cent. of the share capital and 2.76 per cent. of the votes; and LMK Stiftelsen AB, directly and through endowment insurance (Sw. *kapitalförsäkring*), with 3.17 per cent. of the share capital and 2.26 per cent. of the votes.

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. The Swedish Code of Corporate Governance (Sw. *svensk kod för bolagsstyrning*) (the “**Code**”) is not applicable to companies with shares listed on Nasdaq First North Premier and the Group is, therefore, not obliged to comply with the Code. However, the Group’s strives to comply with the Code in relevant parts. In the opinion of the Company, the only current deviation in relation to the Code is that two closely related deputy members have been appointed to the board of directors of the Company (Ebba Leijonhufvud and Sofie Karlsryd, daughters of Jan Barchan (Briban Invest AB) and Olof Andersson (Olof Andersson)). The deviation is deemed by the main shareholders to efficiently serve the purpose of preparing the succession in the Company’s board of directors as well as ensuring long-term continuity in the board work. Ebba Leijonhufvud and Sofie Karlsryd hold no operative functions in the Company. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the CEO adopted by the Company.

### Business and operations

The Company is an entrepreneurial real estate company owning, managing, developing and building residential and commercial properties in Malmö. The object of the Company’s business, as set out in its articles of association, is to build, acquire, manage and develop property and activities compatible therewith. The Company works toward a sustainable city development through local

<sup>5</sup> Wholly owned via wholly owned Trianon Vivaldi AB and Fastighets AB Tabelsong.

<sup>6</sup> Wholly owned via wholly owned Trianon Jordlotten AB.

<sup>7</sup> Wholly owned via wholly owned Trianon Jordlotten AB.

<sup>8</sup> Briban Invest AB is wholly owned by Jan Barchan, who is also a member of the Company’s board of directors.

<sup>9</sup> Olof Andersson holds shares in the Company both directly and through his subsidiary Olof Andersson Förvaltnings Aktiebolag. Olof Andersson is a board member and the CEO of the Company.

<sup>10</sup> Mats Cederholm holds shares in the Company both directly and through his company Cedelma AB. Mats Cederholm is the chairman of the Company’s board of directors.

commitment and a strong focus on customers with a vision of being the most profitable and well-run real estate company in Malmö.

As of 31 December 2018, the Group's property portfolio consisted of 54 properties, among which 8 per cent. are office premises, 23 per cent. are commercial properties, 8 per cent. are community purpose properties (Sw. *samhällsfastigheter*) and 61 per cent. are residential properties. The properties are situated in Malmö city centre, Limhamn/Slottsstaden, Lindängen/Hermodsdal/Oxie and Rosengård. As of 31 December 2018, the Company housed a lettable area of 271,856 square meters (excluding garage facilities and properties owned by associated companies) and the total market property value amounted to MSEK 5,904.9.

The Company is profoundly engaged in sustainability projects and works actively with the United Nations Sustainable Development Goals ("SDGs"), mapping its investment and operating activities against several of the SDGs (no. 3, 5, 7, 8, 10, 11 and 13). The Company works for sustainable housing, both socially and environmentally, and being profiled as a long-term owner, the Company works with sustainability as an integral part of the management. The Company has for example utilised state investment aid in order to facilitate housing with lower rents and uses social clauses in agreements with contractors, according to which the contractor is to employ unemployed persons, temporarily or permanently, in the areas where the project is carried out. Furthermore, the Company partakes in several national and regional projects to spur sustainable development. Such projects include the Government cooperation programme Smart Cities (Sw. *Regeringens samverkansgrupp Smarta städer*) and the working party Housing for all – new financing solutions (Sw. *arbetsgruppen Bostad för alla – nya finansieringsmodeller*). The project is carried out in a collaboration between Malmö stad, Malmö Universitet, PEAB, Carnegie, SEB and Grenspecialisten Förvaltning AB and is funded by Vinnova. Other projects involve the building of a hub for sharing solutions ("Sharing cities Sweden), new models for measuring social investments (Sw. *Hållbar Avkastning av Investeringar*) funded by Vinnova, project to integrate newly arrived migrants into employment (Sw. *Oskarshamnsmodellen*) and a platform for discussion and testing environment for urban and sustainable solutions based on 2030 Agenda (M21).

The Company pursues five main sustainability goals:

- Building more rental housing and cost efficient renovation measures.
- Reduce unemployment in the areas where the Company operates.
- Reduce homelessness in the Malmö region.
- Employees – at least 25 per cent. of the Company's employees shall reside in the Company's properties and increase workforce health to 97 per cent.
- Environment – reduce electricity consumption by 2 per cent., heat consumption by one per cent. and strive to install solar energy facilities corresponding to 100,000 kWh/year.

In its Sustainability Bond Framework issued in April 2019, the Company has identified ten sustainability targets to implement in a five year period, which concretises the implementation work with the SDGs. The Company's Sustainability Bond Framework is based on the 2018 Sustainability Bond Guidelines, as well as, in relevant aspects, the 2018 Green Bond Principles and the Social Bond Principles.

**Litigation**

The Company has not, during the previous twelve months, been and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

The Company is claimant in a legal dispute against the commercial tenant City Gross Sverige AB. The Company forecasts an outcome in its favour. Should the outcome be negative, it will not have a significant effect on the Company's and/or the Group's earnings.

**Material agreements**

No Group company is party to any material agreement outside the ordinary course of business which could result in such company having a right or an obligation that could materially affect the Company's ability to meet its obligations to the holders.

**Credit rating**

Neither the Company nor the Capital Securities have a credit rating from an international credit rating institute.

**Significant adverse changes and recent events**

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and, other than the issuance of the Capital Securities on 17 April 2019 and as set forth below, no significant change in the financial or market position of the Group has occurred since the end of the last financial period for the annual report has been published.

- The Company gained access to two residential properties in Hermodsdal, Malmö comprising of 105 apartment units and with a property value of MSEK 123.
- The Company entered into an agreement regarding acquisition of 11 residential properties comprising of 781 apartment units and a smaller number of commercial premises in Hermodsdal and Almhög in Malmö, with a property value of MSEK 900.

Except for the issuance of the Capital Securities and as set forth above, there have been no recent events particular to the Company that to a material extent are relevant to the evaluation of the Company's solvency.

**Shareholders' agreements**

As far as the Company is aware, there are no shareholders' agreements or other agreements which could result in a change of control of the Company.



## **Board of directors, senior management and auditors**

The business address for all members of the board of directors and the senior management is: Fastighets AB Trianon (publ), Västra Kanalгатan 5, SE-211 41 Malmö, Sweden. The board of directors of the Company currently consists of six members and two deputy members. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

### **Board of directors (including deputy members)**

#### *Mats Cederholm*

Born 1945 and of Swedish nationality. Member and chairman of the Company's board of directors since 2010. Current assignments outside the Group include Aktiebolaget Hessingen (chairman of the board), Anbace Invest AB (chairman of the board), Cepesa Invest AB (chairman of the board), Åkab Vind AB (chairman of the board), Åsele Skogar AB (chairman of the board), Eurocorp AB (chairman of the board), Cedelma AB (member of the board), Finans IA Fakturatjänst AB (member of the board) and Wallfast AB (member of the board).

#### *Olof Andersson*

Born 1965 and of Swedish nationality. Member of the Company's board of directors since 2006. Olof Andersson is also the CEO of the Company. Current assignments outside the Group include Olof Andersson Förvaltnings Aktiebolag (member of the board and CEO), Copenhagen Malmö Port Aktiebolag (member of the board), Malmö Citysamverkan Service AB (member of the board), Förvaltnings AB Norra Vallgatan (member of the board), Anbace Invest AB (member of the board), På Limhamn ekonomisk förening (member of the board) and Frukthandlarn På Limhamn AB (deputy member of the board).

#### *Jan Barchan*

Born 1946 and of Swedish nationality. Member of the Company's board of directors since 2010. Current assignments outside the Group include Brihan Invest Aktiebolag (member of the board and CEO), Adimo Aktiebolag (chairman of the board), Studsvik AB (member of the board), Net Insight AB (member of the board), TAT The Astonishing Tribe AB (member of the board), Trialbee AB (member of the board), Anbace Invest AB (member of the board), JT Elevsupport AB (member of the board), Eurocorp AB (member of the board), and AB Archan (deputy member of the board). Owner of the sole proprietor Jan Thorsten Hugo.

#### *Viktoria Bergman*

Born 1965 and of Swedish nationality. Member of the Company's board of directors since 2017. Current assignments outside the Group include Galber AB (chairman of the board), Vattenfall AB (member of the board), and Fastighets AB Malmö Nötskrikan (deputy member of the board).

#### *Boris Lennerhov*

Born 1955 and of Swedish nationality. Member of the Company's board of directors since 2017. Current assignments outside the Group include Casmé AB (chairman of the board), Mio AB (chairman of the board), Falkenbergs Stadshus AB (chairman of the board), Vesterhavsggruppen AB (chairman of the board), HLM frukt o grönt AB (chairman of the board), Gekås AB (member of the board), Boris L Konsult AB (member of the board) and Ideella föreningen Hallands Travsällskap (member of the board).

*Elin Thott*

Born 1972 and of Swedish nationality. Member of the Company's board of directors since 2017. Current assignments outside the Group include Advokatbyrå Sigeman & Co AB (member of the board and partner), FPTK Arena AB (member of the board) and Ideella föreningen Fair Play Tennisklubb (member of the board).

*Sofie Karlsryd*

Born 1986 and of Swedish nationality. Deputy member of the Company's board of directors since 2010. Current assignments outside the Group include Olof Andersson Förvaltnings Aktiebolag (member of the board), Wihlborgs Fastigheter (chief property officer).

*Ebba Leijonhufvud*

Born 1979 and of Swedish nationality. Deputy member of the Company's board of directors since 2017. Current assignments outside the Group include Brihan Invest Aktiebolag (member of the board), IKEA AG, Schweiz (marketing campaign project leader).

**Senior management***Olof Andersson*

Olof Andersson is CEO of the Company. For information regarding assignments outside the Group's business, please refer to the section "Board of directors" above.

*Mari-Louise Hedbys*

Mari-Louise Hedbys is CFO of the Company since 2012. Current assignments outside the Group include Mahema Invest AB (member of the board).

**Auditors**

Mazars SET Revisionsbyrå AB, with Tomas Ahlgren as the auditor in charge, has been the Company's auditor for the period covered by the historical financial information incorporated into this Prospectus by reference. Tomas Ahlgren is a member of FAR. The business address to Tomas Ahlgren and Mazars SET Revisionsbyrå AB is P.O. Box 4211, SE-203 13, Malmö, Sweden.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

**Conflicts of interests**

Save for what is mentioned below, there are no conflicts of interest between the private interests of the board members or the senior management and the Company's interests.

**Financial interests**

Several members of the board of directors and the senior management have a financial interest in the Company through their, direct and indirect, holdings of shares in the Company.

## Overview of financial reporting and documents incorporated by reference

The accounting principles applied in the preparation of the Company's financial statements presented below are set out in the following and have been consistently applied to all the years presented, unless otherwise stated.

The financial information for the financial year ending 31 December 2018 and 31 December 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretative notices from IFRS Interpretation Committee (IFRIC) as adopted by the European Union. Furthermore, the Group applies the Swedish Financial Reporting Board's recommendation RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*), specifying the amendments of the IFRS information required by the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen*). In addition, the Company applies the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for Legal Entities (Sw. *Redovisning för juridiska personer*).

The Company's consolidated annual reports for the financial years that ended 31 December 2018 and 31 December 2017, have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's report has been incorporated in this Prospectus through the consolidated annual reports for the financial years ended 31 December 2018 and 31 December 2017 by reference.

In this Prospectus the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

Reference	Document	Page
Financial information regarding the Group and its business for the financial year ended 31 December 2018.	Fastighets Aktiebolaget Trianon (publ)'s consolidated annual report for the financial year ended 31 December 2018.	- 68 (Consolidated income statements), - 69 (Consolidated balance Sheets), - 70 (Consolidated changes in equity), - 71 (Consolidated cash flow Statements), - 72 (Parent income statements), - 73–74 (Parent balance sheets), - 75 (Parent changes in equity), - 76 (Parent cash Flow statements), and - 77–101 (Notes).
Auditor's report for the financial year ended 31 December 2018.	Fastighets Aktiebolaget Trianon (publ)'s consolidated annual report for the financial year ended 31 December 2018.	- 103–107 (Audit Report).
Financial information regarding the Group and its business for the	Fastighets Aktiebolaget Trianon (publ)'s consolidated annual report	- 58 (Consolidated income Statements), - 59 (Consolidated balance sheets),

financial year ended 31 December 2017.	for the financial year ended 31 December 2017	- 60 (Consolidated changes in equity) - 61 (Consolidated cash flow Statements), - 62 (Parent income statements), - 63–64 (Parent balance sheets), - 65 (Parent changes in equity), - 66 (Parent cash Flow statements), and - 67–91 (Notes).
Auditor’s report for the financial year ended 31 December 2017.	Fastighets Aktiebolaget Trianon (publ)’s consolidated annual report for the financial year ended 31 December 2017.	- 93–95 (Audit Report).

The abovementioned reports are available in electronic form on the Company’s web page <https://trianon.se/investor-relations/finansiella-rapporter/> and can also be obtained from the Company in paper format in accordance with section “*Documents available for inspection*” below.

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Capital Securities or is covered elsewhere in the Prospectus.

**Documents available for inspection**

Copies of the following documents can be obtained from the Company in paper format upon request during the validity period of this Prospectus at the Company's head office.

- The articles of association of the Company
- All documents which by reference are a part of this Prospectus.
- Where such reports have been prepared, the Company's subsidiaries' audited annual reports for the financial years 2018 and 2017.

## Terms and Conditions for the Capital Securities

**TERMS AND CONDITIONS FOR  
FASTIGHETS AKTIEBOLAGET TRIANON (PUBL)  
MAXIMUM SEK 500,000,000  
SUBORDINATED PERPETUAL FLOATING RATE  
CALLABLE CAPITAL SECURITIES  
ISIN: SE0012453900**

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### **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 Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Capital Securities.

“**Accounting Event**” means the receipt by the Issuer of an opinion of an authorised accountant (Sw. *auktoriserad revisor*) 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 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 of the Capital Securities less the Nominal Amount of all Capital Securities owned by a Group Company or an Affiliate thereof, irrespective of whether such person is directly registered as owner of such Capital Securities.

“**Affiliate**” means, in respect of any Person, any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

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

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time; initially Nordic Trustee & Agency AB (publ) reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

“**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 debt instruments (Sw. *skuldförbindelser*), each representing the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions, including the Initial Capital Securities and any Subsequent Capital Securities.

“**Central Securities Depositories and 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*).

“**Change of Control Event**” means an event or series of events whereby one or more Persons (other than any Main Shareholder) acting together, acquire control over the Issuer and where “control” means:

- (a) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Change of Control Step-up Date**” means the date falling six (6) months after the date on which a Change of Control Event has occurred.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Capital Securities from time to time; initially Euroclear Sweden AB reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.

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

“**Deferred Interest**” has the meaning ascribed to it in Clause 11 (*Optional interest deferral*).

“**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; and
- (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.

“**First Call Date**” means the date falling four (4) 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 17 April 2019.

“**Force Majeure Event**” has the meaning ascribed to it in Clause 26.1.



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

“**Holder**” means the Person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Capital Security.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 17 (*Holders’ Meeting*).

“**Initial Capital Security Issue**” means the issuance of Capital Securities on the First Issue Date.

“**Initial Capital Securities**” means the Capital Securities issued on the First Issue Date.

“**Interest**” means the interest on the Capital Securities calculated in accordance with Clause 10 (*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 10 (*Interest*).

“**Interest Payment Date**” means, subject to Clause 11 (*Optional interest deferral*), 17 January, 17 April, 17 July and 17 October in 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, with the first Interest Payment Date for the Capital Securities being 17 July 2019 and the last Interest Payment Date being the relevant Redemption Date.

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date) and, in respect of any Subsequent Capital Securities, each Interest Period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance (or the First Issue Date if there is no such Interest Payment Date) and ending on (and including) the next succeeding Interest Payment Date (or, if the Capital Securities are redeemed prior to such Interest Payment Date, the relevant Redemption Date).

“**Interest Rate**” means a floating rate of STIBOR (three (3) months) plus the applicable Margin.

“**Issue Date**” means the First Issue Date or any subsequent date when Subsequent Capital Securities are issued.

“**Issuer**” means Fastighets Aktieföretaget Trianon (publ), a public limited liability company incorporated under the laws of Sweden with reg. no. 556183-0281 and registered address Västra Kanalgatan 5, 211 41 Malmö, Sweden.

“**Issuer Re-construction**” has the meaning ascribed to it in paragraph (b) of Clause 3.2.

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

“**Issuing Agent**” means Nordea Bank Abp, filial i Sverige, reg. no. 516411-1683, Smålandsgatan 17, SE-105 71 Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Main Shareholder**” means each of Jan Barchan, personal identification no. 460117-3992, and Olof Andersson, personal identification no. 650708-4397, by way of direct or indirect ownership of shares, and their Affiliates.

“**Margin**” means, subject to Clause 10.4 (*Step-up after a Change of Control Event*):

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the First Call Date, 7.00 per cent. *per annum*;
- (b) in respect of the period from (but excluding) the First Call Date to (and including) 17 April 2025, 9.00 per cent. *per annum*;
- (c) in respect of the period from (but excluding) 17 April 2025 to (and including) 17 April 2027, 10.00 per cent. *per annum*;
- (d) in respect of the period from (but excluding) 17 April 2027 to (and including) 17 April 2029, 11.00 per cent. *per annum*; and
- (e) from (but excluding) 17 April 2029 and thereafter, 12.00 per cent. *per annum*.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden.

“**Net Proceeds**” means the proceeds from the issuance of any Capital Securities after deduction has been made for all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer in connection with the issuance and listing of such Capital Securities.

“**Nominal Amount**” has the meaning ascribed to it in Clause 2.1.

“**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.

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

“**Record Date**” means the fifth (5<sup>th</sup>) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date; or
- (c) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Capital Securities are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Capital Securities*).

“**Reference Banks**” means Nordea Bank Abp, filial i Sverige, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) (or such other banks as may be appointed by the Issuing Agent in consultation with the Issuer).

“**Regulated Market**” means any regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and Financial Instruments Accounts Act in which:

- (a) an owner of such security is directly registered; or
- (b) an owner’s holding of securities is registered in the name of a nominee.

“**SEK**” or “**Swedish Kronor**” means the lawful currency of Sweden.

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

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between:
  - (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period; and
  - (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the relevant Quotation Day;
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as

supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or

- (d) if no quotation is available pursuant to paragraph (c) above, 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 Security issued in a Subsequent Capital Security Issue.

**“Subsequent Capital Security Issue”** has the meaning set forth in Clause 2.5.

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

**“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 initially issued (which shall include, for these purposes any Subsequent Capital Securities).

**“Sustainability Bond Framework”** means the Issuer’s sustainability bond framework, as it is worded on the Issue Date of the relevant Capital Securities.

**“Tax Event”** means the receipt by the Issuer of an opinion of 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.

“**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 Clause 18 (*Written Procedure*).

## 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 regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law 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 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

## 2 THE AMOUNT OF THE CAPITAL SECURITIES

2.1 The aggregate amount of the Capital Securities will be an amount of up to SEK 500,000,000 which will be represented by Capital Securities, each of a nominal amount of SEK 2,000,000 (the “**Nominal Amount**”) or full multiples thereof. The total nominal amount of the Initial Capital Securities issued is SEK 400,000,000.

- 2.2 The ISIN for the Capital Securities is SE0012453900.
- 2.3 The Initial Capital Securities are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 2.4 The minimum permissible investment in connection with the Initial Capital Security Issue is SEK 2,000,000.
- 2.5 The Issuer may, at one or more occasions after the First Issue Date, issue Subsequent Capital Securities under these Terms and Conditions (each such issue, a “**Subsequent Capital Security Issue**”), provided that the Total Nominal Amount of the Capital Securities under such Subsequent Capital Security Issue(s) and the Initial Capital Security Issue may not exceed SEK 500,000,000 unless consent is obtained from the Holders in accordance with paragraph (a) of Clause 16.5.
- 2.6 Subsequent Capital Securities shall be issued subject to the Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Maturity Date applicable to the Capital Securities issued in the Initial Capital Security Issue shall also apply to Subsequent Capital Securities. The price of Subsequent Capital Securities may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.
- 2.7 The Capital Securities are denominated in SEK and each Capital Security is constituted by these Terms and Conditions.
- 2.8 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 the Terms and Conditions.

### **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 ordinary 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 re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*) (an “**Issuer Re-construction**”), 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 re-construction 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 of the Initial Capital Security Issue and the Net Proceeds of the issue of any Subsequent Capital Security Issue shall be applied by the Issuer in accordance with the Issuer’s Sustainability Bond Framework.

#### **5 CONDITIONS PRECEDENT**

##### **5.1 Conditions precedent in respect of the Initial Capital Securities**

- 5.1.1 The Issuing Agent shall pay the Net Proceeds from the Initial Capital Security Issue to Issuer on the later of:
- (a) the First Issue Date; and

- (b) the date on which the Agent notifies the Issuing Agent that it has received the following, in form and substance satisfactory to the Agent (acting reasonably):
  - (i) copies of the articles of association and certificate of registration of the Issuer;
  - (ii) a copy of a resolution from the board of directors of the Issuer:
    - (A) approving the issue of the Initial Capital Securities and resolving that it execute and perform the Terms and Conditions and Agency Agreement; and
    - (B) authorising a specified person or persons to execute the Terms and Conditions and Agency Agreement on its behalf;
  - (iii) a copy of the Terms and Conditions and the Agency Agreement duly executed by the Issuer;
  - (iv) a copy of the Issuer's Sustainability Bond Framework and the second opinion relating to the Issuer's Sustainability Bond Framework; and
  - (v) evidence that the Capital Securities has been or will be registered with the CSD.

5.1.2 The Agent shall confirm to the Issuing Agent when the conditions set out in paragraph (b) of Clause 5.1.1 have been satisfied.

## **5.2 Conditions precedent in respect of any Subsequent Capital Securities**

5.2.1 The Issuing Agent shall pay the Net Proceeds from any Subsequent Capital Security Issue to Issuer on the later of:

- (a) the relevant Issue Date; and
- (b) the date on which the Agent notifies the Issuing Agent that it has received, in form and substance satisfactory to the Agent (acting reasonably), a copy of a resolution from the board of directors of the Issuer approving the issue such Subsequent Capital Securities and resolving to that it execute and perform any documents necessary in connection therewith.

5.2.2 The Agent shall confirm to the Issuing Agent when the conditions set out in paragraph (b) of Clause 5.2.1 have been satisfied.

## **5.3 No responsibility for documentation**

The Agent may assume that the documentation and evidence delivered to it pursuant to this Clause 5 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 5 from a legal or commercial perspective of the Holders.



## **6 THE CAPITAL SECURITIES AND TRANSFERABILITY**

- 6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 6.2 The Capital Securities are freely transferable. All Capital Securities transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Capital Securities transferees upon completed transfer.
- 6.3 Upon a transfer of Capital Securities, any rights and obligations under the Terms and Conditions relating to such Capital Securities are automatically transferred to the transferee.
- 6.4 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, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Capital Securities in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

## **7 CAPITAL SECURITIES IN BOOK-ENTRY FORM**

- 7.1 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 Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Capital Securities shall be directed to an Account Operator.
- 7.2 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 Central Securities Depositories and Financial Instruments Accounts Act.
- 7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Capital Securities. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Capital Securities. If the Agent does not otherwise obtain information from such debt register as contemplated under the Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.

- 7.5 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 kept by the CSD in respect of the Capital Securities. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 7.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Capital Securities and provide it to the Agent.
- 7.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

## **8 RIGHT TO ACT ON BEHALF OF A HOLDER**

- 8.1 If any Person other than a Holder wishes to exercise any rights under the Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 8.2 A Holder may issue one or several powers of attorney 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 the Terms and Conditions in relation to the Capital Securities for which such representative is entitled to represent the Holder.
- 8.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8.1 and 8.2 and may assume that it 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.

## **9 PAYMENTS IN RESPECT OF THE CAPITAL SECURITIES**

- 9.1 Any payment or repayment under the Terms and Conditions, or any amount due in respect of a repurchase of any Capital Securities, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account, such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate 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.
- 9.3 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.

9.4 If payment or repayment is made in accordance with this Clause 9, 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

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

## **10 INTEREST**

### **10.1 Interest accrual**

Subject to Clause 11 (*Optional interest deferral*), the Capital Securities (and any unpaid amounts thereon) will carry Interest from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Capital Security will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.

### **10.2 Interest Rate**

10.2.1 Subject to Clause 10.4 (*Step-up after a Change of Control Event*), the Interest Rate in respect of each Interest Period shall be the aggregate of the applicable:

- (a) Margin; and
- (b) STIBOR.

10.2.2 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)

### **10.3 Interest Payment Dates**

10.3.1 Subject to Clause 11 (*Optional interest deferral*) and the Business Day Convention, payment of interest in respect of the Capital Securities shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.

10.3.2 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 11 (*Optional interest deferral*).

### **10.4 Step-up after a Change of Control Event**

Notwithstanding any other provision of this Clause 10, if the Issuer does not elect to redeem the Capital Securities in accordance with Clause 12.5 (*Voluntary redemption due to a Change of Control Event*) following the occurrence of 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 10, on the Capital Securities shall be increased by five (5.00) per cent. *per annum* with effect from (but excluding) the Change of Control Step-up Date.

## 10.5 Default Interest

If the Issuer fails to pay any amount payable by it pursuant to Clause 11.3 (*Mandatory settlement of Deferred Interest*) or Clause 12 (*Redemption and repurchase of the Capital Securities*) (except for Clause 12.1 (*No maturity*), Clause 12.2 (*The Group Companies' purchase of Capital Securities*) and Clause 12.6 (*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 of two (2) per cent. *per annum*. Accrued 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.

## 11 OPTIONAL INTEREST DEFERRAL

### 11.1 Deferral of Interest Payments

11.1.1 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 25 (*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.

11.1.2 If the Issuer makes a partial Interest Payment, such Interest Payment shall be applied *pro rata* to each Capital Security.

11.1.3 Any Interest Payment so deferred pursuant to this Clause 11 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**”.

11.1.4 The deferral of an Interest Payment in accordance with this Clause 11 shall not constitute a default pursuant to Clause 15 (*Default and Enforcement*) by the Issuer under the Capital Securities or for any other purpose.

### 11.2 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 25 (*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.

### **11.3 Mandatory settlement of Deferred Interest**

11.3.1 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 (10<sup>th</sup>) 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 12 (*Redemption and repurchase of the Capital Securities*) or Clause 15 (*Default and Enforcement*).

11.3.2 Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Clause 25 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

## **12 REDEMPTION AND REPURCHASE OF THE CAPITAL SECURITIES**

### **12.1 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 12 (*Redemption and repurchase of the Capital Securities*). The Capital Securities are not redeemable at the option of the Holders at any time.

### **12.2 The Group Companies' purchase of Capital Securities**

The Issuer or any other Group Company may, subject to applicable law, at any time and at any price purchase Capital Securities in the market or in any other way. Capital Securities held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with (i) a full redemption of the Capital Securities or (ii) a Substantial Repurchase Event.

### **12.3 Voluntary redemption by the Issuer (call option)**

12.3.1 The Issuer may redeem all, but not only some, of the 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 from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

12.3.2 Redemption in accordance with Clause 12.3.1 shall be made by the Issuer giving at least thirty (30) but not more than sixty (60) Business Days' notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Capital Securities in full at the applicable amounts.

## **12.4 Voluntary redemption due to a Special Event**

12.4.1 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; and
- (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 from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

12.4.2 Redemption in accordance with Clause 12.4.1 shall be made by the Issuer giving at least thirty (30) but not more than sixty (60) Business Days' notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Capital Securities in full at the applicable amounts.

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

12.5.1 Upon a Change of Control Event occurring, the Issuer may, no later than the Change of Control Step-up Date, redeem all, but not some only, of its Capital Securities at an amount 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; and
- (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 together with any Deferred Interest and any interest accrued from (but excluding) the immediately preceding Interest Payment Date to (and including) the Redemption Date.

12.5.2 Redemption in accordance with Clause 12.5.1 shall be made by the Issuer giving at least thirty (30) but not more than sixty (60) Business Days' notice, prior to the proposed Redemption Date, to the Holders, the Issuing Agent and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable. Upon expiry of such notice, the Issuer is bound to redeem the Capital Securities in full at the applicable amounts.

12.5.3 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 25 (*Notices*), specifying the nature of the Change of Control Event.

## **12.6 Cancellation of Capital Securities**

All Capital Securities which are redeemed pursuant to this Clause 12 and all Capital Securities purchased and elected to be cancelled pursuant to Clause 12.2 (*The Group Companies' purchase of Capital Securities*) will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Holders in accordance with Clause 25 (*Notices*), the Agent and the Issuing Agent of any such cancellation and for so long as the Capital Securities are admitted to trading

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 12.6.

### **13 PRECONDITIONS TO SPECIAL EVENT REDEMPTION OR CHANGE OF CONTROL REDEMPTION**

13.1 Prior to the publication of any notice of redemption pursuant to Clause 12 (*Redemption and repurchase of the Capital Securities*) (other than redemption pursuant to Clause 12.3 (*Voluntary redemption by the Issuer (call option)*)), the Issuer shall:

- (a) obtain consent from the general meeting of the shareholders of the Issuer for such redemption; and
- (b) deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating:
  - (i) that the relevant requirement or circumstance giving rise to the right to redeem the Capital Securities is satisfied; and
  - (ii) 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.

13.2 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.

13.3 Any redemption of the Capital Securities in accordance with Clause 12 (*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 11.3 (*Mandatory settlement of Deferred Interest*) on or prior to the date of such redemption.

### **14 ADMISSION TO TRADING**

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

- (a) that the Initial Capital Securities are admitted to trading 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 within thirty (30) days after the First Issue Date;
- (b) that any Subsequent Capital Securities are admitted to trading 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 within thirty (30) days following the relevant subsequent issue date; and

- (c) that the Capital Securities, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Capital Securities in close connection to the redemption of the Capital Securities).

## **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 11 (*Optional interest deferral*), if a default is made by the Issuer for a period of thirty (30) 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 23.2) 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**

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.

### **15.3 Extent of Holders' Remedy**

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 A request by the Agent for a decision by the Holders on a matter relating to the Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and 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 of a Written Procedure, as determined by the Agent. The



Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

16.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if:

- (a) 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
- (b) the suggested decision is not in accordance with applicable laws.

16.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 17.3, in respect of a Holders' Meeting; or
- (b) on the Business Day specified in the communication pursuant to Clause 18.3, 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 definition of Adjusted Nominal Amount.

16.5 The following matters shall require consent of Holders representing at least two thirds (2/3) 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 18.3:

- (a) the issue of any Subsequent Capital Securities, if the Total Nominal Amount of the Capital Securities exceeds, or if such would cause the Total Nominal Amount of the Capital Securities to at any time exceed, SEK 500,000,000 (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 change to the Nominal Amount or the Interest Rate (including, for the avoidance of doubt, changes to the Margin or STIBOR);
- (d) 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 11 (*Optional interest deferral*);
- (e) a mandatory exchange of Capital Securities for other securities;
- (f) early redemption of the Capital Securities, other than as otherwise permitted or required by the Terms and Conditions; and

- (g) amend the provisions in this Clause 16.5 or in Clause 16.6.
- 16.6 Any matter not covered by Clause 16.5, including for the avoidance of doubt the initiation of an Issuer Winding-up, shall require the consent of Holders representing more than fifty (50.00) 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 18.3. This includes, but is not limited to, any amendment to or waiver of the terms of the Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) or (b) of Clause 19.1).
- 16.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holders (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5 and otherwise twenty (20.00) per cent of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.8 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 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.10 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.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any 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.
- 16.12 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 other Holders.
- 16.13 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.

- 16.14 If a decision shall be taken by the Holders on a matter relating to the 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) their Affiliates, irrespective of whether such Person is directly registered as owner of such Capital Securities. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Capital Security is owned by a Group Company or an Affiliate of a Group Company.
- 16.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and 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 Holders be sent to it by the Issuer or the Agent, as applicable.

## **17 HOLDERS' MEETING**

- 17.1 The Agent shall convene a Holders' Meeting no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice to each such Person who is registered as a Holder on the Business Day prior to the date on which the notice is sent. If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting by sending a notice to each Holder in accordance with Clause 17.1 with a copy to the Agent. Before such notice is sent the Issuer shall inform the Agent of its request to replace the Agent and, on the request of the Agent, append a statement from the Agent together with the notice. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) 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 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include:
- (a) time for the meeting;
  - (b) place for the meeting,
  - (c) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the notice pursuant to Clause 17.1),
  - (d) agenda for the meeting (including each request for a decision by the Holders) and
  - (e) a form of power of attorney.

Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.

- 17.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

- 17.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 17.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 17.7 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.

## **18 WRITTEN PROCEDURE**

- 18.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include:
- (a) each request for a decision by the Holders;
  - (b) a description of the reasons for each request;
  - (c) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1);
  - (d) 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;
  - (e) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1); and
  - (f) if the voting shall be made electronically, instructions for such voting.

- 18.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19 AMENDMENTS AND WAIVERS**

- 19.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend the Terms and Conditions or waive any provision in the Terms and Conditions, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).
- 19.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.
- 19.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Terms and Conditions are available on the website of the Agent and the Issuer shall ensure that such amendments to the Terms and Conditions are available on the website of the Issuer. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD.
- 19.4 An amendment or waiver to the 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.

## **20 APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **20.1 Appointment of Agent**

- 20.1.1 By subscribing for Capital Securities, each initial Holder appoints the Agent to act as its agent and security agent in all matters relating to the Capital Securities and the 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 (Sw. *företagsrekonstruktion*), or bankruptcy (Sw. *konkurs*) (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.

- 20.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Terms and Conditions.
- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Terms and Conditions and the Agent's obligations as agent and security agent under the Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **20.2 Duties of the Agent**

- 20.2.1 The Agent shall represent the Holders in accordance with the Terms and Conditions. However, the Agent is not responsible for the execution, validity or enforceability of the Terms and Conditions.
- 20.2.2 The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent. The latest versions of the Terms and Conditions shall be available to the Holders at the office of the Agent during normal business hours.
- 20.2.3 Upon request by a Holder, the Agent may distribute to the Holders any information from such Holder which relates to the Capital Securities (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent may upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 20.2.4 When acting in accordance with the Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under the Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Terms and Conditions.
- 20.2.6 The Agent shall treat all Holders equally and, when acting pursuant to the Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Terms and Conditions.
- 20.2.7 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Capital Securities. Notwithstanding the foregoing, the

Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information.

- 20.2.8 The Agent is entitled to engage external experts when carrying out its duties under the Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged for the purpose of investigating or considering a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under the Terms and Conditions.
- 20.2.9 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Terms and Conditions.
- 20.2.10 Notwithstanding any other provision of the 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 law or regulation.
- 20.2.11 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.
- 20.2.12 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under the Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions, or (ii) if it refrains from acting for any reason described in Clause 20.2.11.
- 20.2.13 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

### **20.3 Limited liability for the Agent**

- 20.3.1 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 the Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 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 addressed 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.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the 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.

- 20.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*) or a demand given by Holders in accordance with the Terms and Conditions.
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under the Terms and Conditions.
- 20.3.6 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other Person.

#### **20.4 Replacement of the Agent**

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, 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.
- 20.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and 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.
- 20.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar 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 appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Terms and Conditions.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon 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.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Terms and Conditions but shall remain entitled to the benefit of the Terms and Conditions and remain liable under the 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 the Terms and Conditions as they would have had if such successor had been the original Agent.



- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Terms and Conditions. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **21 APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 21.1 The Issuer appoints the 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.
- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **22 APPOINTMENT AND REPLACEMENT OF THE CSD**

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 22.2 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 listing of the Capital Securities listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

## **23 NO DIRECT ACTIONS BY HOLDERS**

- 23.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Group Companies in relation to any of the liabilities of the Issuer or a Subsidiary under the Terms and Conditions. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Holders in accordance with the 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 20.1.2), 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 by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions or by any reason described in Clause 20.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.12 before a Holder may take any action referred to in Clause 23.1.

## 24 TIME-BAR

- 24.1 The right to receive repayment of the principal of the Capital Securities shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred 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 time-barred and has become void.
- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar 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 the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## 25 NOTICES

- 25.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time, and, if sent by email by the Issuer, to such email address as 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 (Sw. *Bolagsverket*) on the Business Day prior to dispatch or such address as notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
  - (c) if to the Holders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practicable possible) or letter for all Holders, provided that the same means of communication shall be used for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.
- 25.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, 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 25.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.
- 25.3 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.

## **26 FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 26.1 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 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.
- 26.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 26.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

## **27 GOVERNING LAW AND JURISDICTION**

- 27.1 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.
- 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 27.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place:

**FASTIGHETS AKTIEBOLAGET TRIANON (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:

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

\_\_\_\_\_  
Name:

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