

*This prospectus was approved by the Swedish Financial Supervisory Authority on 14 July 2023. The validity of this prospectus will expire within twelve (12) months after the date of its approval. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.*



# **FASTIGHETS AKTIEBOLAGET TRIANON (PUBL)**

**PROSPECTUS REGARDING THE ADMISSION TO TRADING OF  
SEK 150,000,000  
SENIOR UNSECURED CALLABLE FLOATING RATE  
SUSTAINABLE BONDS  
ISIN: SE0020355220**

14 July 2023

## IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Fastighets Aktiebolaget Trianon (publ), reg. no. 556183-0281, (the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission for trading of the Issuer’s SEK 150,000,000 senior unsecured callable floating rate sustainable bonds with ISIN SE0020355220 (the “**Bonds**”) issued on 12 June 2023 (the “**Issue Date**”), under a framework of SEK 500,000,000, in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”), on the sustainable bond list on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). Concepts and terms defined in Section “*Terms and Conditions for the Bonds*” are used with the same meaning throughout the entire Prospectus unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

This Prospectus has been prepared by the Company and approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA 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 Bonds in any jurisdiction. It has been prepared solely for the purpose of admitting the Bonds to trading on Nasdaq Stockholm. No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds, in any jurisdiction other than Sweden, where action for that purpose would be required. Persons into whose possession this document comes are required to inform themselves about, and to observe, such requirements and restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

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

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 Issuer’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 Issuer 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.

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

This Prospectus has been prepared in English only and 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. The Prospectus is available at the SFSA’s website ([www.fi.se](http://www.fi.se)) and the Issuer’s website ([www.trianon.se](http://www.trianon.se)).

## TABLE OF CONTENTS

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<b>Section</b>	<b>Page</b>
RISK FACTORS .....	3
THE BONDS IN BRIEF .....	16
DESCRIPTION OF THE ISSUER AND THE GROUP .....	21
OWNERSHIP STRUCTURE .....	25
THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS .....	27
SUPPLEMENTARY INFORMATION .....	30
FINANCIAL INFORMATION.....	31
TERMS AND CONDITIONS FOR THE BONDS .....	33
ADDRESSES .....	86

## RISK FACTORS

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*The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. The below risk factors are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific, to the Company, the Group and the Bonds.*

*The manner in which the Company and the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as “low”, “medium” or “high” and the magnitude of negative impact if it would occur as “low”, “medium” or “high”. The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not purported to be ranked in order of materiality.*

*Regardless of whether the Company has estimated the probability of a risk factor occurring or the expected magnitude of its negative impact as “low”, “medium” or “high”, all risk factors included in this section have been assessed to be material and specific to the Company and/or the Bonds in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.*

### **RISK FACTORS SPECIFIC AND MATERIAL TO THE COMPANY AND THE GROUP**

#### **Market risk**

##### **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 Group operates mainly in the Malmö region and is therefore particularly susceptible for the macroeconomic development in that region. The general economic development in Sweden as well as local development in the Malmö region impacts employment rates, salary levels and demographic trends, all of which affect the demand for, and price of, the Group’s property assets.

Consequently, an overall decline or fluctuation in the demand for commercial and residential property, both in general and in the Malmö area, could affect rents, occupancy rates, demand in respect of the Company’s premises, the value of the Company’s properties as well as availability and cost of financing, which in turn would negatively affect the Group’s results of operation and financial position.

Inflation expectations affect the interest rates and therefore affect the Company’s financing costs, and interest on debt owed 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 general levels of interest and inflation rates also affect the yield requirements and thus the market value of the properties. There is a risk that the Company and the Group will not be able to negotiate lease agreements or rental increases 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 considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *high*.

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

The Company currently operates mainly in the Malmö region, and is therefore particularly susceptible to 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 trend may stagnate in the future, which could result in reduced demand and therefore adversely affect rental income, vacancy rates and property value, which in the long turn would adversely affect the Group's results of operation and financial position.

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-oriented firms, could result in a deterioration similar to an economic decline, which in turn could lead to decreased 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 considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

## **Risks related to the Group's financial situation**

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

The Company finances its operations by, *inter alia*, loans from credit institutes and the debt capital market, bringing about long-term liabilities maintained at floating and fixed interest rates. As at 31 March 2023, the Group's interest bearing debt amounted to about SEK 7,308 million. Interest rate costs constitute one of the Company's largest cost items and the Group's financial expense during the first three months of 2023 amounted to SEK 73.7 million. 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. The majority of the Group's interest bearing debt is currently subject to floating rate interest. 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. 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. In addition, there is a risk that the market interest rate will fall from the level where the interest rate swaps were originally determined, which leads to a negative development of the market

values for the Company's interest rate swaps. Furthermore, 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.

The Company considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *high*.

### **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 are reported at 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 conditions could cause the value of the Company's properties to decline, which would have a material negative impact on the Company's operations, financial position and earnings. As at 31 March 2023, the fair value of the Group's investment properties amounted to about SEK 12,965 million, indicating that even minor changes in the value of the Group's property could have significant effects on the Group's balance sheet.

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.

The Company considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *high*.

### **The Company is subject to risks related to increased property costs**

The Group's property costs (Sw. *fastighetskostnader*) mainly relate to operational costs including heat and electricity, but also, among other costs, include costs for maintenance, renovations, waste collection and water. During the first three months of 2023, the Group's property costs amounted to about SEK 76.3 million and increase in such property costs could have an adverse effect on the Group's results of operation and financial position. For example, the high price of electricity in the region where the Group operates had a negative impact on property costs of around SEK 15 million during the financial year 2022, and it cannot be ruled out that energy prices will continue to increase.

Goods and services purchased for the operation and maintenance of the Group's properties can in several instances only be obtained from a limited number of suppliers. In consequence, the Company may be forced to accept certain price levels less favourable to the Company and the opportunity to adequately control such costs may therefore be limited. For instance, heating costs are subject to seasonal variation, where low outdoor temperatures typically bring about higher prices and therefore increased costs, especially where the number of service providers are limited or supplier contracts cannot be negotiated,

varied or otherwise price-adjusted. To the extent that any cost increase cannot be compensated for by a rent increase, the Group may incur additional costs.

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 lease agreements as well as with regulatory requirements. About one fifth of the Company's total property expenditure relates to such maintenance costs. 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 considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

### **Refinancing and liquidity risks**

Liquidity and refinancing risks refer to the risk of increased cost and/or a limited scope for refinancing possibilities when loans are to be refinanced, and that the payment obligations cannot be fulfilled as a consequence of inadequate liquidity or difficulties in obtaining financing. 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 security in real estate, pledges over shares in subsidiaries and business mortgages, as well as by way of a bond loan as well as capital securities. The Group's interest bearing liabilities amounted to about SEK 7,308 million as at 31 March 2023.

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 companies within the Group, are at risk of defaulting under existing financing agreements, which may entitle lenders to cancel credit facilities and demand immediate payment of outstanding loans, as well as enforce security in property and/or other assets. If any default occur under loan terms, including under the Company's outstanding bank financing, capital securities or the bond loan, cross-default provisions may be triggered resulting in that further obligations fall due and that security is enforced. If, in the future, the Group 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 considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *high*.

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

As at 31 March 2023, the two largest shareholders combined held approximately 54 per cent. of the equity and 64 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 Bonds.

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 as well as adversely affect the holders' payments under the Terms and Conditions.

The Company considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *low*.

### **Risks related to jointly owned properties**

The Company currently holds and may in the future hold interests in additional joint ventures, including joint ventures holding management and development properties. The shareholding in the joint ventures are reported through the equity method, which means that the Group's holding of net assets in the joint ventures are reported in its income statement. The shareholding in joint ventures are not regulated by shareholder agreements. Hence, the Company lacks the full decision-making power over the joint ventures, and cannot alone decide on investments or divestments of any assets, including management properties, held in joint ventures. There is a risk that discussions and disagreements will arise in jointly owned companies regarding the future operation of the Company, including raising new financing as



well as the development or possible sale of relevant property. Such discussions may lead to the Company not being able to develop property ownership in a profitable manner and may result in lengthy and costly disputes, which could divert management attention from the day-to-day business as well as bring about unexpected costs.

The Company considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

## **Risks related to the Group's business activities and industry**

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

Acquisition of properties 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 standards or requirements. Property transactions may also give rise to substantial transaction costs which cannot necessarily be compensated for, such as if a transaction is not completed or an acquisition is 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.

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 as well as the general economic development. There is a risk that the property market lacks liquid funds or other means to complete acquisitions, which could negatively affect the Company's ability to divest its properties. Furthermore, discrepancies in the price expectations between seller and buyer could lead to extended, and even stranded negotiations. 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 or any strategic considerations, 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 such new 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.

The Company considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

### **The Company is subject to risks relating to rental income**

The Company's revenue primarily consist of rental income. Such income is dependent on rates of occupancy, rent, and rent delinquency among tenants. Rental rates and occupancy rates are, among other factors, affected by economic growth and the rate at which new premises and housing are produced. As of 31 March 2023, around 32 per cent. of the Group's rental value was attributable to commercial, public sector and community letting, whereas around 68 per cent. to residential letting. During 2022, the Group's ten largest commercial tenants account for approximately half of the contracted revenues on an annual basis for commercial premises. Should one or more of the Company's major tenants refrain from renewal or extension of their lease 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.

Furthermore, the Group aims to increase its attractiveness in areas where its properties are located. The Company may therefore need to incur higher investment costs, not only to keep its existing property portfolio competitive with new buildings, but also to invest in new property in order to maintain its market position. New buildings are typically associated with high rents and high relocation rate, which is why investments in new build property increase the Company's exposure to higher vacancy rates. Reduced rental income as a result of the above factors may affect the Group's operating profit and profit margin. The extent of the negative effects is mainly due to the Company's ability to compensate for reduced rental income with reduced costs.

Rental income is also affected by current market rates of rent. General market trends may impact rents in conjunction with the renegotiation of existing lease agreements, as well as during agreement of contracts with new tenants. Should the Company fail to enter into or extend lease 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 considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

### **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. It is thus a prerequisite for the Company's operations that such projects can be carried out with financial profitability. 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.

One of the Group's ongoing development projects is, and future project development may be, subject to index-adjusted contract clauses by way of agreement between the Group and the contractor, entailing that the price for the construction works carried out may be adjusted for increased cost of materials (including raw materials such as metals, wood materials, prefabricated components such as concrete products and liners) and services (including by sub-contractors, installation services providers and other specialist services providers). There is a risk that costs for projects with index-adjusted contract clauses become significantly more expensive, on part of the Group, than originally anticipated as a result of unforeseen index developments.

In the event the Company cannot receive compensation for increased costs or income losses, the abovementioned risks, should they materialise, could have a negative impact on the Company's earnings from development projects.

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 lease 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.

The Company considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

### **The Company is subject to risks related to rental negotiations and 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. *bruksvärde*systemet) 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. The Company negotiates from time to time with the Swedish Union of Tenants (Sw. *Hyresgästföreningen*) regarding rental increases. The outcome of such negotiations are often uncertain and there can be no guarantee that such negotiations result in increased rent levels or rent levels favourable to the Group. Furthermore, such negotiations can be time-consuming and may lead to proceedings before court in order to reach an agreement. 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 considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

## **Environmental and legal risks**

### **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. For example, the Company continuously decontaminates a number of its properties from polychlorinated biphenyls ("PCBs"). Environmental toxins, and in particular PCBs, are common in properties that were built in between

1950s and 1970s, which means that there is a risk that PCBs and other environmental toxins also occur in other parts of the Company's property portfolio. This may lead to the Group being forced to carry out investigations that burden the Company's results, nor can it be ruled out that further measures may need to be taken in connection with such investigations.

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 business, financial position and results of operation.

The Company considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

### **The Company is subject to tax legislation risks**

The Group's operations is carried out in accordance with its interpretation of applicable laws, regulations and precedents within the tax field and in accordance with guidance from tax consultants. However, it cannot be ruled out that the Group's interpretation of applicable tax regulations and precedents is incorrect, nor that the tax regulations and precedents within the area changes with retroactive effect. The Group may also be subject to tax reviews and tax audits, which could result in additional taxes, interest or fees for the Group. For example, there is a risk that a tax review or audit finds that the Group's income tax or value added tax has been incorrect. This could result in the Group being obliged to pay additional tax and that tax surcharges are imposed, which would increase the Group's costs and decrease the Group's cash flow, which could have a material adverse effect on the Company's ability to make payments under the Bonds.

The Group can also be affected by legislative changes within the tax field. For example, in March 2022 the Swedish Land Survey (Sw. *Lantmäteriet*) submitted the report "Stamp duty on acquisitions of real property by means of property formation measures" (Sw. *Stämpelskatt vid förvärv av fast egendom med hjälp av fastighetsbildningsåtgärder*) to the Government, in which it proposes a general stamp duty obligation when acquiring real property through certain property formation measures. If a general stamp duty obligation on acquisitions of real property through certain property formation measures is imposed, it could result in increased stamp duty costs for the Group when acquiring real property through property formation measures.

If any of the above mentioned risks would occur, it could result in raised tax costs and lower margins for the Group's business and a decreased cash flow, which in turn may have a material adverse effect on the Company's ability to make payments under the Bonds.

The Company considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.

## **RISK FACTORS SPECIFIC AND MATERIAL TO THE BONDS**

### **Risks related to the nature of the Bonds**

#### **Credit and refinancing risks**

An investment in the Bonds carries a credit risk relating to the Company and the Group. The holders' ability to receive payment under the Terms and Conditions of the Bonds is dependent upon the Company's and the Group's ability to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and 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 Bonds a higher risk premium, which would affect the Bonds' value negatively. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group would be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring its debt or seeking additional equity capital. There is a risk that the Group will not be able to effect any of these remedies on satisfactory term or at all. 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 or equity financing at the time of the redemption of the Bonds.

The Group's ability to successfully refinance the Bonds is dependent on the conditions of the debt and equity capital markets and the Group's financial position at the time such refinancing is carried out. In the event the Company is unable to refinance the Bonds or other outstanding debt, or if such financing can only be obtained on unfavourable terms, this could have an adverse effect on the Company's ability to repay the Bonds at maturity or upon an early redemption or repurchase of Bonds.

The Company considers that the probability of the above risks occurring is *medium*. If the risks would materialise, the Company considers the potential negative impact to be *low*.

#### **Unsecured obligations**

The Bonds constitute unsecured debt obligations of the Company. If the Company would be subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the holders of Bonds normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Further, following prioritised creditors receiving payment in full, the holders of Bonds will have an unsecured claim against the Company for the amounts due under or in respect of the Bonds, which means that the holders of Bonds normally would receive payment *pro rata* with other unsecured creditors.

The Company considers that the probability of the risk occurring is *low*. If the risk would materialise, the Company considers the potential negative impact to be *medium*.

#### **Risks related to sustainable Bonds**

The Company intends to use the net proceeds of the issue of the Bonds in accordance with the Company's sustainable finance framework dated October 2022, which aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021 published by the International Capital Markets Association ("ICMA"). According to the Sustainability Bond Guidelines, sustainability bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or refinance a combination of eligible green and/or social projects. As there is currently no legal

definition of as to what constitutes a “green”, “social” or an equivalently-labelled project, there is a risk that any projects, asset or uses defined in the Sustainability Bond Framework will not meet current or future investor expectations regarding such activities, projects and/or assets.

Furthermore, a failure to apply proceeds in accordance with the Sustainability Bond Framework could result in investors being in breach of investment criteria or guidelines pursuant to which an investor is required to comply, which could result in remedies under the relevant investment criteria or guidelines, leading to claims or reputational damage.

The Company has obtained a second opinion from ISS Corporate Solutions (the “**Second Opinion**”) to confirm the transparency of the Company’s Sustainability Bond Framework and its alignment with ICMA’s guidelines and principles referred to above. ISS Corporate Solutions is neither responsible for how the Sustainability Bond Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is ISS Corporate Solutions responsible for the outcome of the investments described in the Sustainability Bond Framework. There is a risk that the suitability or reliability of the Second Opinion is challenged by the Company, a potential investor, a bondholder, or any third party. Furthermore, second opinion providers, such as ISS Corporate Solutions, are currently not subject to any regulatory regime or oversight and there is a risk that such providers will be deemed as not being reliable or objective in the future or that future requirements on accreditation of second opinion services providers would render the Second Opinion less credible.

As the market condition for sustainable instruments is rapidly changing, there is a risk that current or future investor expectations will not be met which could negatively affect the secondary trading of the Bonds. Such development could result in inability for holders to sell Bonds at attractive terms, or at all, or that the holding of Bonds is associated with reputational damage.

The Company considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *low*.

## **Risks related to the admission of the Bonds to trading on a regulated market**

### **Put option in relation to listing failure**

The Company has undertaken to ensure that the Bonds 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 (as defined in the Terms and Conditions) within certain stipulated time periods, as set out in the Terms and Conditions, and the failure to do so provides each holder of Bonds with a right of prepayment (put option) of its Bonds.

There is a risk that the Bonds will not be admitted to trading on the relevant market place within the intended time frames or at all. If the Company fails to procure listing in time, investors holding Bonds on an investment savings account (Sw. *ISK* or *IS-konto*) will no longer be able to hold the Bonds on such account, thus affecting such investor’s tax situation.

The Company considers that the probability of the risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *low*.

## **Risks related to the holders' rights and representation**

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

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 Bonds 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.

The Company considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Company considers the potential negative impact to be *medium*.



## THE BONDS IN BRIEF

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This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions for the Bonds included under Section “*Terms and Conditions for the Bonds*”, before a decision is made to invest in the Bonds.

### General

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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 Issuer’s board of directors resolved to issue the Bonds on 24 May 2023.
The Bonds offered .....	Senior unsecured callable floating rate sustainable bonds in an aggregate principal amount of SEK 150,000,000 due 12 June 2025.
Nature of the Bonds.....	The Bonds constitute debt instruments (Sw. <i>skuldförbindelser</i> ), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i> ).
Number of Bonds .....	As of the date of this Prospectus, 120 Bonds have been issued. A maximum of 400 Bonds may be issued under the Terms and Conditions.
ISIN .....	SE0020355220.
Issue Date .....	12 June 2023.
Price.....	All Bonds issued on the Issue Date have been issued at an issue price of 100.00 per cent. of the Nominal Amount.
Interest Rate.....	Interest on the Bonds is paid at a rate equal to the sum of (i) three (3) months STIBOR or any reference rate replacing STIBOR in accordance with Clause 19 ( <i>Replacement of Base Rate</i> ) of the Terms and Conditions, plus (ii) 500 basis points <i>per annum</i> as adjusted by any application of Clause 19 ( <i>Replacement of Base Rate</i> ) of the Terms and Conditions.

Use of benchmark.....	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to STIBOR. As of the date of this Prospectus, the administrator (being Swedish Financial Benchmark Facility) is registered in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the regulation (EU) 2016/1011 (the Benchmark Regulation).
Interest Payment Dates.....	12 March, 12 June, 12 September and 12 December 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 on 12 September 2023 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).
Final Redemption Date.....	12 June 2025.
Nominal Amount.....	The initial nominal amount of each Bond is SEK 1,250,000 and the minimum permissible investment upon issuance of the Bonds was SEK 1,250,000.
Denomination.....	The Bonds are denominated in SEK.
Status of the Bonds.....	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
Use of Proceeds.....	An amount equal to the Net Proceeds of the Initial Bond Issue and any Subsequent Bond Issue shall be used in accordance with the Issuer's Sustainable Financing Framework.

## Call Option

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Call Option.....	The Issuer may redeem all of the Bonds in full on any Business Day falling after the First Call Date (being the date falling twenty-one (21) months after the First Issue Date) but before the Final Redemption Date at the applicable Call Option Amount together with accrued but unpaid Interest, in accordance with Clause 12.3 ( <i>Early voluntary total redemption (call option)</i> ) of the Terms and Conditions.
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## Put Option

Put Option.....	Upon the occurrence of a Change of Control, a De-listing or a Listing Failure, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following a notice from the Issuer of the relevant event, in accordance with Clause 12.5 ( <i>Mandatory repurchase due to a Change of Control, De-listing or Listing Failure (put option)</i> ) of the Terms and Conditions.
Change of Control .....	Change of Control means the occurrence of 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 “ <b>control</b> ” 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.
De-listing.....	De-listing means a situation where: <ul style="list-style-type: none"> <li>(a) the Issuer’s ordinary shares are no longer listed and admitted to trading on Nasdaq Stockholm, any other recognised unregulated market place or any Regulated Market;</li> <li>(b) trading of the Issuer’s listed ordinary shares on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days; or</li> <li>(c) once the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).</li> </ul>
Listing Failure .....	Listing Failure means a situation where: <ul style="list-style-type: none"> <li>(a) the Initial Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days after the First Issue Date; or</li> <li>(b) any Subsequent Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other</li> </ul>

Regulated Market within sixty (60) calendar days after the Issue Date in respect of such Subsequent Bonds.

## Undertakings

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Certain undertakings.....	<p>The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, including, among others:</p> <ul style="list-style-type: none"> <li>• restrictions on making distributions;</li> <li>• undertaking to have the Bonds admitted to trading on a regulated market within twelve (12) months after the Issue Date;</li> <li>• restrictions on making any substantial changes to the general nature of the business carried out by the Group;</li> <li>• undertaking to ensure that the Maintenance Test is met for as long as any Bond is outstanding;</li> <li>• restrictions in relation issuance of Market Loans;</li> <li>• restrictions on disposals of assets, mergers and demergers;</li> <li>• undertaking to keep the Properties in a good state of repair and maintenance;</li> <li>• undertaking to maintaining adequate insurances; and</li> <li>• restrictions on dealings with related parties.</li> </ul> <p>Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds for more information.</p>
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## Miscellaneous

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Transfer restrictions.....	The Bonds are freely transferable. Upon a transfer of Bonds, any rights and obligations under the Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
Credit rating.....	No credit rating has been assigned to the Bonds.
Admission to trading .....	The Issuer shall ensure that the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm within twelve (12) months after the Issue Date and shall use its reasonable endeavours to procure that the Bonds are admitted to trading on the sustainable bond list at Nasdaq Stockholm or any other Regulated Market within thirty (30) calendar days after the Issue Date. If the Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the Issue Date, each Bondholder has a right to have its Bonds repurchased by the Issuer (put option) in accordance with Clause 12.5 ( <i>Mandatory</i>

*repurchase due to a Change of Control, De-listing or Listing Failure (put option)*) of the Terms and Conditions.

The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 18 July 2023. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 150,000.

Representation of the Bondholders.....	<p>Nordic Trustee &amp; Agency AB (publ), Swedish reg. no. 556882-1879, is acting as Agent for the Bondholders in relation to the Bonds and any other matter within its authority or duty in accordance with the Terms and Conditions.</p> <p>By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, which is set out in the Terms and Conditions. The Terms and Conditions are incorporated in this Prospectus under the Section “<i>Terms and Conditions for the Bonds</i>” below, and are available at the Agent’s office address, Norrlandsgatan 23, SE-111 43 Stockholm, Sweden, during normal business hours as well as at the Agent’s website, <a href="http://www.nordictrustee.com">www.nordictrustee.com</a>.</p>
Governing law .....	The Bonds are governed by Swedish law.
Time-bar .....	The right to receive repayment of the principal of the Bonds 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.
Clearing and settlement .....	The Bonds are connected to the account-based system of Euroclear Sweden AB, Swedish reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Bondholders on a securities account (Sw. <i>VP-konto</i> ). No physical Bonds have been or will be issued. Payment of principal, interest will be made through Euroclear Sweden AB’s book-entry system.
Risk factors.....	Investing in the Bonds 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 Bonds.

## DESCRIPTION OF THE ISSUER AND THE GROUP

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### Overview of the Issuer

Legal and commercial name	Fastighets Aktiebolaget Trianon (publ)
Corporate reg. no.....	556183-0281
LEI-code.....	213800SWOEKEF29R3C35
Date and place of registration.....	15 August 1973 with the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i> )
Date of incorporation.....	5 June 1973
Legal form.....	Swedish public limited liability company
Jurisdiction and laws .....	The Issuer is registered with the Swedish Companies Registration Office and operates under the laws of Sweden including, but not limited to, the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ) and the Swedish Annual Accounts Act (Sw. <i>årsredovisningslagen (1995:1554)</i> )
Registered office .....	Malmö, Sweden
Head office and visiting address.....	Fredsgatan 21, 212 12, Malmö, Sweden
Phone number.....	+46 (0)40-611 34 00
Website.....	www.trianon.se (the information provided at the Issuer's website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)
Operational objective .....	In accordance with the article of association, the objects of the Company are to build, purchase, manage and sell real property, along with activities related to such operations.

### Business and operations

#### General

The Company was originally founded in 1973 and is an entrepreneurial real estate company owning, managing, developing and building residential and commercial properties mainly in Malmö and the surrounding area. 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 commitment and a strong focus on customers with a vision of being the most profitable and well-run real estate company in Malmö.

The Group's property portfolio mainly consists of residential, commercial and community properties located mainly in Malmö and the surrounding area (being Malmö City, Limhamn/Slottsstaden, Lindängen/Hermodsdal, Rosengård, Oxie, Burlöv and Svedala). As at 31 March 2023, the Company holds 154 properties with a total area of 491,200 square meters, excluding around 3,000 garage and

parking spaces as well as seven properties recognised as associates and joint ventures. The total property value amounted to about SEK 13.0 billion as per 31 March 2023. The total property value of the Group's property portfolio is divided into approximately 73 per cent. residential properties, 12 per cent. community properties and 15 per cent. commercial properties.

### **Project plan and sale of properties**

As per 31 March 2023, the Group's project plan consisted of approximately 700 apartments for new production under the current zoning plan. In addition, after obtaining a building permit, construction of 129 apartments on the partially owned property Rosengård Centrum is ready to start. The ongoing projects in Hyllie, Sege Park, Svedala and Burlöv encompassing approximately 300 apartments have been procured with fixed prices without indexation. The property Svedala 1:87 with 53 apartments is being built with government investment aid, and property is fully leased and occupied from 1 May 2023.

On 28 April 2023, the Company announced by way of press release the sale of 45 residential properties (comprising 874 rental apartments) in Skurup, Eslöv, Landskrona, Trelleborg, northern Skåne and Stockholm for a purchase price of SEK 1.3 billion. The sale concentrates the Group's property portfolio to the three municipalities of Malmö, Burlöv and Svedala. The sale will be carried out in two stages during the second and fourth quarter of 2023.

### **Business strategy and sustainability**

The Company aims to be a profitable and well-managed real estate company in Malmö. By innovation, commitment and long-term perspective, the Company aims to achieve sustainable urban development. 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. 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 is using sustainable renovations 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 area where the relevant project is carried out. In all building projects, the energy consumption level is compliant with Miljöbyggnad Silver. To spur sustainable development the Company partakes in collaborations such as Sharing Cities in order to develop new business models for sustainable housing areas with sharing facilities and reuse of resources. During the fourth quarter 2019, the Company founded a non-profit foundation (Momentum Malmö foundation) together with four of the five largest shareholders of the Company. The foundation shall invest in and support activities for increased safety and social sustainability in Malmö, primarily in relation to young persons.

In its Sustainability Financing Framework dated October 2022, the Company has identified eight ESG targets, which concretises the implementation work with the SDGs. The Company's Sustainability Financing Framework is aligned with Sustainability Bond Guidelines which in turn are based on the Green Bond Principles and Social Bond Principles.

### **Material agreements**

Neither the Issuer nor any other Group Company has entered into any material agreements that are not entered into in the ordinary course of its business, which could result in any Group Company being

under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Terms and Conditions, other than the following financing agreements.

- Two sustainability-linked financing agreements entered into with Svenska Handelsbanken in November 2022, with an aggregate outstanding loan amount of approximately SEK 1,874 million as per 31 March 2023. The loan provided under the first agreement has an outstanding loan amount of SEK 974 million and mature in November 2025. The loan provided under the second agreement has an outstanding loan amount of SEK 900 million and mature in November 2028. The Group has provided security in mortgage certificates for its obligations under loans.
- The terms and conditions for the Company's bonds of series 2021/2023, with an outstanding amount of SEK 500 million (of which SEK 280 million is currently held by the Company). The bonds mature in August 2023 and accrue an annual interest of 3 months STIBOR plus a margin of 2.75 per cent.
- The terms and conditions for the Company's sustainable hybrid bonds, with an outstanding amount of SEK 500 million. The hybrid bonds have no maturity date, accrue an annual interest of 3 months STIBOR plus a margin of 7.00 per cent. and the Company may elect to defer any interest payment.

The above summary does not purport to describe all of the applicable terms and conditions of the agreements.

### **Overview of the Group**

The Group currently consists of 152 Group Companies, including the Company which is the ultimate parent company of the Group, as well as 29 joint venture companies.

The Group's operations are conducted through, and the majority of revenues of the Issuer emanates from, the Issuer's operational subsidiaries, associated companies and joint ventures. The Issuer is thus dependent on its subsidiaries, associated companies and joint ventures in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

### **Recent events particular to the Issuer**

Except for the issuance of the Bonds, the conclusion of a SEK 1.9 billion sustainability-linked loan with Svenska Handelsbanken, as announced by way of press release on 2 November 2022 and the issuance of sustainable hybrid bonds, as announced by way of press release on 11 November 2022, there have been no recent events particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer's solvency.

### **Material adverse changes, significant changes and trend information**

There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited financial report, being the audited annual report for the financial year 2022, to the date of this Prospectus.

There have been no significant changes in the financial performance of the Group since the end of the last financial period for which the Group has published interim financial information, being the interim financial report for the period 1 January to 31 March 2023 to the date of this Prospectus.

There have been no significant changes in the financial position of the Group which has occurred since the end of the last financial period for which the Group has published interim financial information,



being the interim financial report for the period 1 January to 31 March 2023 to the date of this Prospectus.

There has been no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year.

**Governmental, legal or arbitration proceedings**

The Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve (12) months from the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

**Credit rating**

No credit rating has been assigned to the Issuer.

## OWNERSHIP STRUCTURE

### Ownership structure

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 280,000,000 divided into no less than 112,000,000 shares and not more than 448,000,000 shares. The Company's current share capital amounts to SEK 98,441,223.125 divided among 6,084,472 ordinary shares of series A (Sw. *stamaktier av serie A*) and 151,421,485 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 (1/10) of a vote. The shares are denominated in SEK.

Since 17 December 2020, the Company's ordinary shares of series B are traded on Nasdaq Stockholm, with trading symbol TRIAN B and ISIN SE0018013658.

The largest shareholders of the Company as at 31 March 2023 are set out in the table below.

Shareholders	Number of shares	Share capital (%)	Votes (%)
Olof Andersson, private and through company	42,887,302	27.23	32.46
Jan Barchan, through company	41,423,552	26.30	31.77
Grenspecialisten Förvaltning AB	15,170,096	9.63	7.15
SEB Funds	9,592,318	6.09	4.52
Länsförsäkringar Fastighetsfond	8,573,145	5.44	4.04
Mats Cederholm, private and through company	3,635,940	2.31	3.00
Familjen Eklund private and through company	4,080,000	2.59	1.92
Verdipapirfondet Odin Eiendom	3,468,248	2.20	1.63
Third AP Fund	1,944,412	1.23	0.92
Humle small cap fund	1,895,226	1.20	0.89
Other shareholders	24,835,718	15.77	11.70

As far as the Issuer is aware, no person or persons acting together has control over the Issuer and where "control" means acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer or 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.

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act and the Nasdaq rules for issuers. Furthermore, the Company complies with the Swedish Code of Corporate Governance (Sw. *Svensk Kod för Bolagsstyrning*) (the "Code"). The Company deviates from clause 4.2 of the Code since a deputy board member has been appointed. The main shareholders consider this procedure to be expedient to prepare succession and ensure long-term continuity in the board of directors.

**Shareholders' agreements**

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

# THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS

## General

The division of duties between the board of directors and the CEO follows Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO. The CEO and the CFO are responsible for the Issuer's ongoing management and operations, reports to the board of directors and are required to manage the operations in accordance with the board of directors' guidelines and instructions as well as provide the board with decision-aiding materials.

The business address for all members of the board of directors and the senior management is: Fastighets AB Trianon (publ), Fredsgatan 21, SE-212 12 Malmö, Sweden. The board of directors of the Company currently consists of seven members and no deputy member. 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

The section below presents the members of the board of directors, their position, including the year of their initial election, their significant assignments outside the Issuer, which are relevant for the Issuer, and their shareholdings in the Issuer.

### Overview

Name	Position	Independent <sup>1)</sup>	Shareholding <sup>2)</sup>
Viktoria Bergman	Chairman	Yes	20,000
Olof Andersson	Board member and CEO	No	42,887,302
Axel Barchan	Board member	Yes	115,600
Patrik Emanuelsson	Board member	Yes	-
Richard Hultin	Board member	Yes	5,320
Jens Ismunden	Board member	Yes	8,400
Sofie Karlsryd	Board member	No	35,932

1) Independent in relation to the Issuer and its executive management

2) Shareholding as at the date of this Prospectus

## Members of the board of directors

### 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), WaterAid Sweden (deputy chairman) and board memberships of Duni Group, Novus Group and Cinis Fertilizer AB.

### 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 board memberships in Sydsvenska Hem AB, Förvaltnings AB Norra Vallgatan and Anbace Invest AB.

**Axel Barchan**

Born 1993 and of Swedish nationality. Member of the Company's board of directors since 2020. Current assignments outside the Group include board memberships in Briban Invest AB, Utvecklings AB Laburnum and Nok9 AB.

**Patrik Emanuelsson**

Born 1966 and of Swedish nationality. Member of the Company's board of directors since 2023. Current assignments outside the Group include board memberships in Colive AB, Södertälje sjukhus AB, Danderyds sjukhus AB and Södersjukhuset AB, as well as CEO of HEBA Fastighets AB.

**Richard Hultin**

Born 1956 and of Swedish nationality. Member of the Company's board of directors since 2021. Current assignments outside the Group include board memberships in At Work Sweden AB, IW Service AB, SMT Malmö Partner Holding AB and Burlöv Center Fastighets AB.

**Jens Ismunden**

Born 1976 and of Swedish nationality. Member of the Company's board of directors since 2020. Current assignments outside the Group include board membership in Lunar A/S as well as an engagement with RoosGruppen AB (Senior Advisor).

**Sofie Karlsryd**

Born 1986 and of Swedish nationality. Member of the Company's board of directors since 2023, deputy member of the Company's board of directors from 2010 to 2023. Current assignments outside the Group include board membership of Olof Andersson Förvaltnings Aktiebolag as well as CEO of Burlöv Center Fastighets AB.

**Executive management**

The section below presents the members of the executive management, including the year each person became a member of the executive management and their shareholdings in the Issuer.

**Overview**

<b>Name</b>	<b>Position</b>	<b>Shareholding<sup>1)</sup></b>
Olof Andersson	CEO	42,887,302
Mari-Louise Hedbys	CFO and deputy CEO	213,302
Anna Heide	Business development manager	133,702
Jonas Karlsryd	Head of transactions	335,736
Gert Ternström	Property manager	-
Lars Åkewall	Property manager	356,923

1) Shareholding as at the date of this Prospectus

**Members of the executive 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 and deputy CEO since 2015. Current assignments outside the Group include Mahema Invest AB (member of the board).

**Anna Heide**

Anna Heide is business development manager of the Company since 2017. Current assignments outside the Group include board memberships in Fastighetsägarna Syd, Stiftelsen Momentum Malmö, På Limhamn ekonomisk förening, FC Rosengård, Fastighetsägarna Malmödistriktet, Östra Grevie Folkhögskola and Stiftelsen Läxhjälp.

**Jonas Karlsryd**

Jonas Karlsryd is head of transactions since 2021. Current assignments outside the Group include chairmanship of the board of SJK Invest AB.

**Gert Ternström<sup>1</sup>**

Gert Ternström is property manager of the Company since 2019. Gert holds no current assignments outside the Group.

**Lars Åkewall**

Lars Åkewall is property manager of the Company since 2013. Lars holds no current assignments outside the Group.

**Conflicts of interests within administrative, management and control bodies**

None of the members of the board of directors or the executive management of the Issuer has a private interest that may be in conflict with the interests of the Issuer except as described below. However, the majority of the members of the board of directors or and executive management have financial interests in the Issuer as a consequence of their holdings of shares in the Issuer. The members of the board of directors and executive management may serve as directors or officers of other companies or have significant shareholdings in other companies which may result in a conflict of interest. In the event that such conflict of interest arises at a board meeting, a board member which has such conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. As far as the Issuer is aware, the following conflicts of interest exist as of the date of this Prospectus:

Board member Axel Barchan is closely related to Jan Barchan (major shareholder). Furthermore, board member Sofie Karlsryd is closely related to Olof Andersson (board member, CEO and major shareholder) and married to Jonas Karlsryd (head of transactions).

Notwithstanding the above, it cannot be excluded that other conflicts of interest may arise in the future between companies, in which members of the board of directors or the executive management of the Issuer have duties, and the Issuer.

**Auditor**

Mazars AB, has been the Company's auditor for the period covered by the historical financial information incorporated into this Prospectus by reference. Anders Persson has been the auditor in charge since the annual general meeting of the Company in 2020. Anders Persson is a member of FAR. The business address to Mazars AB is P.O. Box 4211, SE-203 13, Malmö, Sweden.

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<sup>1</sup> As announced by the Company in a press release dated 3 July 2023, Gert has informed the Company that he will retire as property manager on 17 August 2023. Following Gert's retirement, the Executive Board will consist of five members.

## SUPPLEMENTARY INFORMATION

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### Information about the Prospectus

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

### Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 12 June 2023 was resolved upon by the board of directors of the Issuer on 24 May 2023.

The board of directors of the Issuer is responsible for the information contained in the Prospectus. The board of directors of the Issuer declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law.

### Information from third parties

No information in this Prospectus has been sourced from a third party.

### Interests of involved persons

Carnegie Investment Bank AB (publ) and its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of Carnegie Investment Bank AB (publ) and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

### Documents available for inspection

Copies of the following documents are available at the Issuer's head office in paper format during the validity period of this Prospectus and also available in electronic format at the Issuer's website, [www.trianon.se](http://www.trianon.se).

- The Issuer's articles of association.
- The Issuer's certificate of registration.
- The Issuer's sustainable financing framework dated October 2022.
- The Group's consolidated audited annual report for the financial year ended 31 December 2021, including the applicable audit report.
- The Group's consolidated audited annual report for the financial year ended 31 December 2022, including the applicable audit report.

## FINANCIAL INFORMATION

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### Historical financial information

The Group's consolidated audited annual reports for the financial years 2021 and 2022 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

All financial information in this Prospectus relating to the financial period 1 January – 31 December 2022 or as of 31 December 2022 derives from the Groups consolidated audited annual reports for the financial year 2022. All financial information in this Prospectus relating to the financial period 1 January–31 March 2023 or as per 31 March 2023 derives from the Group's consolidated unaudited interim financial statements for the financial period 1 January–31 March 2023 and has not been audited or reviewed by the Issuer's auditor.

### Accounting standards

The accounting principles applied in the preparation of the Group'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 presented below 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*).

### Auditing of the historical financial information

The Group's consolidated audited reports presented below have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor Mazars AB and the auditor's report has been incorporated in this Prospectus through the consolidated annual reports for the financial years 2021 and 2022 by reference.

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

### Incorporation by reference

The following information in the Group's consolidated audited annual reports for the financial years 2021 and 2022 is incorporated in this Prospectus by reference and is available at the Issuer's website, <https://ir.trianon.se/finansiella-rapporter/#rapporter>. For particular financial figures, please refer to the pages set out below.



<b>Reference</b>	<b>Pages</b>
<b>The Company's consolidated annual report 2021</b>	
Consolidated income statement	69
Consolidated balance sheet	70
Consolidated changes in equity	71
Consolidated cash flow statement	72
Notes	77-97
Auditor's report	99-101
<b>The Group's consolidated annual report 2022</b>	
Consolidated income statement	62
Consolidated balance sheet	63
Consolidated changes in equity	64
Consolidated cash flow statement	65
Notes	70-90
Auditor's report	92-94

# TERMS AND CONDITIONS FOR THE BONDS

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## TERMS AND CONDITIONS



**FASTIGHETS AKTIEBOLAGET TRIANON (PUBL)**

**Maximum SEK 500,000,000**

**Senior Unsecured Callable Floating Rate Sustainable  
Bonds**

**2023/2025**

ISIN: SE0020355220

First Issue Date: 12 June 2023

## **SELLING RESTRICTIONS**

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

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

## **PRIVACY STATEMENT**

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

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under the Finance Documents, (ii) to manage the administration of the Bonds and payments under the Bonds, (iii) to enable the Bondholders to exercise their rights under the Finance Documents and (iv) to comply with its obligations under applicable laws and regulations.

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

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

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent or the Issuing Agent (as applicable). In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites: [www.trianon.se](http://www.trianon.se), [www.nordictrustee.com](http://www.nordictrustee.com) and [www.carnegie.se](http://www.carnegie.se).

# TERMS AND CONDITIONS

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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 Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

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

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the aggregate Nominal Amount of all Bonds owned by a Group Company, an Affiliate of a Group Company or any other person or entity owning any Bonds that has undertaken towards a Group Company or an Affiliate of a Group Company to vote for such Bonds in accordance with the instructions given by a Group Company or an Affiliate of a Group Company, in each case irrespective of whether such Person is directly registered as owner of such Bonds.

“**Adjusted Profits Before Taxes**” means the consolidated profit before taxes from ordinary activities according to the latest interim Financial Statements, adjusted for:

- (a) depreciations;
- (b) impairments;
- (c) expenses for property sales;
- (d) interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company;
- (e) changes in the value of properties;
- (f) exchange rate differences (if any) in operating income; and
- (g) change in value of any derivative instruments,

made for the Reference Period.

“**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 prior to the First Issue Date between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and the Agent.

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

“**Base Rate**” means three (3) months STIBOR or any reference rate replacing STIBOR in accordance with Clause 19 (*Replacement of Base Rate*).

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

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

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 17.2 (*Bondholders’ Meeting*).

“**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.

“**Call Option Amount**” means:

- (a) one hundred point 100.50 per cent. of the Nominal Amount if the call option is exercised after the First Call Date up to (but excluding) the Final Redemption Date; or
- (b) 100.00 per cent. of the Nominal Amount if the call option is exercised after the First Call Date up to (but excluding) the Final Redemption Date, provided that such early redemption is financed in full or in part by way of the Issuer issuing Market Loan(s).

“**Cash and Cash Equivalents**” means cash and cash equivalents of the Group in accordance with the applicable Accounting Principles as set forth in the latest interim Financial Statements.

“**Change of Control**” means the occurrence of 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.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 2 (*Form of Compliance Certificate*), unless otherwise agreed between the Agent and the Issuer.

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

“**De-listing**” means a situation where:

- (a) the Issuer’s ordinary shares are no longer listed and admitted to trading on Nasdaq Stockholm, any other recognised unregulated market place or any Regulated Market;
- (b) trading of the Issuer’s listed ordinary shares on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days; or
- (c) once the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

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

“**Event of Default**” means an event or circumstance specified as such in Clause 16 (*Termination of the Bonds*).

“**Final Redemption Date**” means 12 June 2025.

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

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);

- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in paragraphs (a) to (f) above.

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

“**Financial Statements**” means the annual audited consolidated financial statements of the Group or the quarterly interim unaudited consolidated financial statements of the Group, which shall be prepared and made available according to paragraphs (a) and (b) of Clause 13.1 (*Financial Statements*).

“**First Call Date**” means the date falling twenty-one (21) months 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 12 June 2023.

“**Force Majeure Event**” has the meaning set forth in Clause 26.1.

“**Group**” means the Issuer and each of its Subsidiaries from time to time.

“**Group Company**” means the Issuer or any of its Subsidiaries.

“**Hybrid Instruments**” means any subordinated (according to its terms) debt instruments issued by the Issuer which are, entirely or partly (i) treated, or intended to be treated, as equity by Moody’s Investor Services Limited and/or Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or (ii) is permitted to be accounted for as equity in accordance with the Accounting Principles at the date of issuance of the relevant subordinated debt instrument(s).

“**Incurrence Test**” has the meaning set forth in Clause 14.2 (*Incurrence Test*).

“**Incurrence Test Date**” has the meaning set forth in Clause 14.2 (*Incurrence Test*).

“**Initial Bond**” means any Bond issued on the First Issue Date.

“**Initial Bond Issue**” has the meaning set forth in Clause 3.1.

“**Initial Nominal Amount**” has the meaning set forth in Clause 3.1.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 11.1 to 11.3.

“**Interest Coverage Ratio**” means the ratio of Adjusted Profits Before Taxes to Total Net Interest Expenses.

“**Interest Payment Date**” means 12 March, 12 June, 12 September and 12 December 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 on 12 September 2023 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).

“**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 a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the Base Rate plus 500 basis points per annum as adjusted by any application of Clause 19 (*Replacement of Base Rate*).

“**Issue Date**” means the First Issue Date or any date when Subsequent Bonds are issued pursuant to these Terms and Conditions.

“**Issuer**” means Fastighets Aktiebolaget Trianon (publ), reg. no. 556183-0281, Västra Kanalgatan 5, SE-211 41, Malmö, Sweden.

“**Issuing Agent**” means Carnegie Investment Bank AB (publ), reg. no. 516406-0138, SE-103 38, Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Listing Failure**” means a situation where:

- (a) the Initial Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days after the First Issue Date; or
- (b) any Subsequent Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days after the Issue Date in respect of such Subsequent Bonds.

“**Maintenance Test**” has the meaning set forth in Clause 14.1 (*Maintenance Test*).

“**Main Shareholder**” means each of:

- (a) Jan Barchan, personal identification no. 19460117-3992, and Olof Andersson, personal identification no. 19650708-4397 (by way of direct or indirect ownership of shares); and
- (b) any spouse, or a partner considered to be equivalent to a spouse, children, Affiliates or successor(s) in estate (*Sw. arvtagare*) to such persons set out in paragraph (a) above.

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial papers, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on a Regulated Market or recognised unregulated market place.

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to



perform and comply with its payment obligations and other undertakings under the Finance Documents or (iii) the validity or enforceability of the Finance Documents.

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

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt (excluding any interest bearing debt borrowed from any Group Company), less Hybrid Instruments, Cash and Cash Equivalents of the Group according to the latest Financial Statements or per the Incurrence Test Date (as applicable), in accordance with the Accounting Principles.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue, after deduction has been made for any Transaction Costs in respect of the Initial Bond Issue or a Subsequent Bond Issue (as applicable).

“**Nominal Amount**” means the Initial Nominal Amount less the amount of any repayments or amortisations made.

“**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.

“**Property Value**” means the aggregate fair value of the properties (land and buildings) held by the Group according to the latest consolidated Financial Statements or per the Incurrence Test Date (as applicable).

“**Quotation Day**” means, in relation to:

- (a) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or, in respect of the first Interest Period, two (2) Business Days before the First Issue Date); or
- (b) any other 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;
- (c) a date on which a payment to the Bondholders is to be made under Clause 16.12 (*Distribution of proceeds*); or
- (d) the date of a Bondholders’ Meeting; or
- (e) 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 Bonds are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

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

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

“**Restricted Payment**” has the meaning ascribed to it in Clause 15.1 (*Distributions*).

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

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

“**SEK**” denotes the lawful currency of Sweden for the time being.

“**STIBOR**” means:

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

“**Subordinated Loan**” means any loan incurred by the Issuer or a Group Company, if such loan:

- (a) according to its terms or pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and
- (c) according to its terms yield only payment-in-kind interest that is payable after the Final Redemption Date, save for payments of interest which are permitted under Clause 15.1 (*Distributions*).

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

“**Subsequent Bond Issue**” means any issue of Subsequent Bonds.

“**Subsidiary**” means, in relation to a Person, any legal entity (whether incorporated or not), in respect of which that Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners;
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body; or
- (d) exercises control as determined in accordance with the Accounting Principles.

“**Sustainable Financing Framework**” means the Issuer’s sustainable financing framework, as it is worded on the Issue Date of the relevant Bonds.

“**Total Net Interest Expenses**” means, for the Reference Period, the aggregate amount of interest costs, upfront fees and prepayment fees (for the avoidance of doubt, including interest costs and other costs on any financial derivative instruments, but excluding cancellations of any derivative instruments) in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Statements (calculated on a consolidated basis), after deducting any interest payable for the relevant period to any Group Company and any interest income relating to Cash and Cash Equivalents of the Group, and without taking into account any Hybrid Instruments, Transaction Costs and/or any unrealised gains or losses on any derivative instruments.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue and (ii) the admission to trading of Bonds (including Subsequent Bonds) on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 17.3 (*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 law, regulation, rule or official directive (whether or not having the force of law but, if not having the force of law, which is generally adhered to) of any governmental, intergovernmental or supranational body, agency or department;
  - (d) a provision of regulation is a reference to that provision as amended or re-enacted from time to time; and
  - (e) a time of day is a reference to Stockholm time.
- 1.2.2 An Event of Default is “continuing” if it has not been remedied or waived.
- 1.2.3 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, any amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK 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.
- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The selling and distribution restrictions and the privacy statement contained in this document before the table of contents do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent (save for the privacy statement insofar it relates to the Agent).
- 1.2.7 Any Hybrid Instrument which is fully treated as equity in the balance sheet of the Issuer in accordance with the Accounting Principles shall, for the avoidance of doubt, not be deemed to constitute Financial Indebtedness or a Market Loan.

## 2. STATUS OF THE BONDS

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

## 3. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

- 3.1 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Bondholder

confirms these Terms and Conditions. Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

- 3.2 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.3 The aggregate amount of the bond loan will be an amount of maximum SEK 500,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 (the “**Initial Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 150,000,000 (the “**Initial Bond Issue**”).
- 3.4 All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Initial Nominal Amount.
- 3.5 The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,250,000.
- 3.6 The ISIN for the Bonds is SE0020355220.

#### **4. SUBSEQUENT BONDS**

- 4.1 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 500,000,000, provided that:
- (a) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, or from the Subsequent Bond Issue and
  - (b) the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue) upon the issuance of Subsequent Bonds.
- 4.2 Any Subsequent Bond shall, for the avoidance of doubt, be issued subject to these Terms and Conditions and the ISIN, the Interest Rate, the Nominal Amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The issue price of Subsequent Bonds may be set at the Nominal Amount or at a discount or at a premium compared to the Nominal Amount.

#### **5. USE OF PROCEEDS**

An amount equal to the Net Proceeds of the Initial Bond Issue and any Subsequent Bond Issue shall be used in accordance with the Issuer’s Sustainable Financing Framework.

#### **6. CONDITIONS PRECEDENT**

##### **6.1 Conditions Precedent for the Initial Bond Issue**

- 6.1.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), all of the documents and other evidence listed in Part 1 (*Conditions precedent for the Initial Bond Issue*) of Schedule 1 (*Conditions precedent*) in form and substance satisfactory to the Agent (acting reasonably).

- 6.1.2 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions in Clause 6.1.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. one (1) Business Day prior to the First Issue Date (or later, if the Issuing Agent so agrees).
- 6.1.3 Following receipt by the Issuing Agent of the confirmations in accordance with Clauses 6.1.2, the Issuing Agent shall on the First Issue Date settle the issuance of the Initial Bonds and transfer the Net Proceeds of the Initial Bond Issue to an account designated by the Issuer.

## **6.2 Conditions Precedent for a Subsequent Bond Issue**

- 6.2.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to any date when the Subsequent Bonds are issued (or such later time as agreed by the Agent), all of the documents and other evidence listed in Part 2 (*Conditions precedent for a Subsequent Bond Issue*) of Schedule 1 (*Conditions precedent and conditions subsequent*) in form and substance satisfactory to the Agent (acting reasonably).
- 6.2.2 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions in Clause 6.2.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The relevant Issue Date shall not occur (a) unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. one (1) Business Day prior to the relevant Issue Date (or later, if the Issuing Agent so agrees) or (b) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- 6.2.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 6.2.2, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds of such Subsequent Bond Issue to an account designated by the Issuer on the Issue Date in respect of such Subsequent Bonds.

## **7. THE BONDS AND TRANSFERABILITY**

- 7.1 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 7.2 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 7.3 Notwithstanding anything to the contrary herein, a Bondholder which allegedly has purchased Bonds in contradiction to applicable mandatory restrictions may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

## **8. BONDS IN BOOK-ENTRY FORM**

- 8.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds at the relevant point of time.

- 8.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 8.3 The Issuer (and the Agent when permitted under the CSD Regulations) shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 8.4 For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 8.5 At the request of the Agent, the Issuer shall promptly obtain information from the Debt Register and provide it to the Agent.
- 8.6 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 8.7 The Issuer (and the Agent when permitted under the CSD Regulations) may use the information referred to in Clause 8.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

## **9. RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

- 9.1 If any Person other than a Bondholder (including the owner of a Bond, if such person is not the Bondholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations, a certificate from the authorised nominee or other sufficient authorisation, starting with the Bondholder and authorising such Person.
- 9.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- 9.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clauses 9.1 and 9.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 9.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **10. PAYMENTS IN RESPECT OF THE BONDS**

- 10.1 Any payment or repayment under these Terms and Conditions shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other Person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 10.2 If a Bondholder 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. If a bank account has not been registered on the applicable Record Date for the relevant payment, no payment will be effected by the CSD to such Bondholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Bondholder on the relevant Record Date has made a valid request for such amount. 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 as soon as possible after such obstacle has been removed.
- 10.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 11.4 during such postponement.
- 10.4 If payment or repayment is made in accordance with this Clause 10, the Issuer 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 has actual knowledge of the fact that the payment was made to the wrong person.
- 10.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

## **11. INTEREST**

- 11.1 The Initial Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its Issue Date (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 11.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.



- 11.3 Interest shall be calculated on the basis of the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 11.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **12. REDEMPTION AND REPURCHASE OF THE BONDS**

### **12.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Redemption Date is not a Business Day, the redemption shall to the extent permitted under the CSD Regulations occur on the Business Day following from an application of the Business Day Convention or, if not permitted under the CSD Regulations, on the first following Business Day.

### **12.2 Purchase of Bonds by Group Companies**

- 12.2.1 Each Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way.
- 12.2.2 Any Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full or repurchase of all Bonds not already held by the Group Companies.

### **12.3 Early voluntary total redemption (call option)**

- 12.3.1 The Issuer may redeem all, but not some only, of the Bonds in full on any Business Day falling after the First Call Date up to (but excluding) the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest.
- 12.3.2 Redemption in accordance with Clause 12.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, calculated from the effective date of the notice. Any such notice shall state the Redemption Date and the relevant Record Date. Such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be fulfilled prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

### **12.4 Early voluntary total redemption due to illegality (call option)**

- 12.4.1 The Issuer may redeem all, but not only some, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

12.4.2 The applicability of Clause 12.4.1 shall be supported by a legal opinion issued by a reputable law firm.

12.4.3 The Issuer may give notice of redemption pursuant to Clause 12.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

## **12.5 Mandatory repurchase due to a Change of Control, De-listing or Listing Failure (put option)**

12.5.1 Upon the occurrence of a Change of Control, a De-listing or a Listing Failure, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following a notice from the Issuer of the Change of Control, De-listing or Listing Failure (as applicable) pursuant to paragraph (a)(i) of Clause 13.4 (*Information: miscellaneous*). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control, De-listing or Listing Failure.

12.5.2 The notice from the Issuer pursuant to paragraph (a)(i) of Clause 13.4 (*Information: miscellaneous*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (a)(i) of Clause 13.4 (*Information: miscellaneous*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 12.5.1.

12.5.3 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 12.5, if a third party in connection with the occurrence of a Change of Control, De-listing or Listing Failure, as applicable, offers to purchase all Bonds in the manner and on the terms set out in this Clause 12.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 12.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

12.5.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 12.5 in connection with the occurrence of a Change of Control if the call option has been exercised pursuant to Clause 12.3 (*Early voluntary total redemption (call option)*) by way of a call notice which has become unconditional on or before the end of the exercise period.

12.5.5 Any Bonds repurchased by the Issuer pursuant to this Clause 12.5 may at the Issuer's discretion be retained or sold, but not cancelled except in connection with a redemption of the Bonds in full or repurchase of all Bonds not already held by the Group Companies.

## 12.6 Miscellaneous

The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with any redemption or repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 12, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 12 by virtue of the conflict.

## 13. INFORMATION UNDERTAKINGS

### 13.1 Financial Statements

The Issuer shall prepare and make available to the Agent and on its website:

- (a) from and including the financial year ending 2023, as soon as they are available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated Financial Statements of the Group for that financial year; and
- (b) from and including the financial quarter ending 30 June 2023, as soon as they are available, but in any event within two (2) months after the end of each quarter of each of its financial years, the consolidated Financial Statements or year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group for that financial quarter.

### 13.2 Requirements as to Financial Statements

- 13.2.1 The Issuer shall prepare the Financial Statements in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of the Regulated Market or any recognised unregulated market on which the Issuer's securities from time to time are listed (as amended from time to time) and the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).
- 13.2.2 Each of the Financial Statements shall include a profit and loss account, a balance sheet, a cash flow statement and a management commentary or report from the Issuer's board of directors.
- 13.2.3 The Issuer shall procure that the aggregate Nominal Amount held by Group Companies, including any amount of Bonds cancelled by the Issuer, is stated in each interim Financial Statements published by the Issuer pursuant to paragraph (b)(i) of Clause 13.1.
- 13.2.4 The Issuer shall make available a report of the use of proceeds of the Bonds in accordance with the Issuer's Sustainable Financing Framework to the Agent and on its website in connection with the publication of the annual audited consolidated Financial Statements.

### 13.3 Compliance Certificate

- 13.3.1 The Issuer shall issue a Compliance Certificate to the Agent signed by the CEO, CFO or any other duly authorised signatory of the Issuer:
  - (a) when consolidated Financial Statements are made available to the Agent in accordance with paragraphs (a) or (b) of Clause 13.1 (*Financial Statements*);
  - (b) in connection with a Subsequent Bond Issue;
  - (c) in connection with the testing of the Incurrence Test; and

(d) at the Agent's reasonable request, within fifteen (15) Business Days from such request.

13.3.2 In each Compliance Certificate, the Issuer shall:

- (a) certify that, so far as it is aware, no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it; and
- (b) if provided in connection with the testing of the Incurrence Test and/or Maintenance Test, that the Incurrence Test and/or Maintenance Test (as applicable) is met and including calculations and figures in respect of the Incurrence Test and/or Maintenance Test (as applicable).

#### 13.4 Information: miscellaneous

The Issuer shall:

- (a) promptly notify:
  - (i) the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control, a De-listing or a Listing Failure;
  - (ii) the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice; and
  - (iii) the Agent upon request with (A) any information relating to a transaction referred to in Clause 15.6 (Disposals of assets, merger and demergers) which the Agent deems necessary (acting reasonably) and, if relevant, (B) a determination from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not; and
- (b) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions), its Sustainable Finance Framework and the second opinion relating to its Sustainable Finance Framework available on its website.

#### 13.5 Restrictions

The Issuer is only obliged to provide any information to the Agent and/or the Bondholders pursuant to this Clause 13 (*Information undertakings*) if providing such information to the Agent and/or the Bondholders would not conflict with any applicable laws or the Issuer's registration contract with Nasdaq Stockholm or any other Regulated Market or recognised unregulated market on which the Issuer's securities from time to time are listed (as amended from time to time). If such conflict would exist pursuant to the listing contract with a Regulated Market, the Issuer shall however be obliged to either seek approval from that Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 13 (*Information undertakings*).

## 14. FINANCIAL COVENANTS

### 14.1 Maintenance Test

14.1.1 The Maintenance Test shall be tested quarterly, on each Reference Date from and including 30 June 2023, on the basis of the interim Financial Statements in relation to the relevant Reference Date, including the previous Financial Statements necessary to cover the relevant Reference Period, and shall be reported in the Compliance Certificate delivered in connection with such Financial Statements.

14.1.2 The Maintenance Test is met if:

- (a) the Net Interest Bearing Debt does not exceed seventy (70.00) per cent. of the Property Value;
- (b) the Interest Coverage Ratio is higher or equal to one point twenty-five (1.25); and
- (c) no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing),

in each case calculated in accordance with Clause 14.3 (*Calculation principles*).

### 14.2 Incurrence Test

14.2.1 The Incurrence Test shall be tested in connection with any issuance of a Market Loan or a Restricted Payment being made, which requires that the Incurrence Test is met, on the date on which such Market Loan is issued or such Restricted Payment is made (the “**Incurrence Test Date**”).

14.2.2 The Incurrence Test is met if:

- (a) the Net Interest Bearing Debt does not exceed sixty five (65.00) per cent. of the Property Value;
- (b) the Interest Coverage Ratio is higher than or equal to one point fifty (1.50); and
- (c) no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the relevant incurrence, distribution or payment (as applicable),

in each case calculated in accordance with Clause 14.3 (*Calculation principles*).

### 14.3 Calculation principles

14.3.1 The figures for Adjusted Profits Before Taxes for the Reference Period ending on the last day of the period covered by the most recent Financial Statements shall be used for the Maintenance Test and the Incurrence Test (as applicable), but adjusted so that (without double counting):

- (a) the consolidated profit before taxes from ordinary activities (calculated on the same basis as Adjusted Profits Before Taxes) of any entities acquired by the Group during the Reference Period (or in case of the Incurrence Test, after the end of the Reference Period

but before the Incurrence Test Date) shall be included, *pro forma*, for the entire Reference Period;

- (b) the consolidated profit before taxes from ordinary activities (calculated on the same basis as Adjusted Profits Before Taxes) of any entities disposed of by the Group during the Reference Period (or in case of the Incurrence Test, after the end of the Reference Period but before the Incurrence Test Date) shall be excluded, *pro forma*, for the entire Reference Period; and
- (c) in case of the Incurrence Test only, the consolidated profit before taxes from ordinary activities (calculated on the same basis as Adjusted Profits Before Taxes) of any entities or assets to be acquired with the proceeds of new issued Market Loan shall be included, *pro forma*, for the entire Reference Period.

14.3.2 The figures for Total Net Interest Expenses for the Reference Period ending on the last day of the period covered by the most recent Financial Statements shall be used for the Maintenance Test and the Incurrence Test (as applicable), but shall be (without double counting):

- (a) reduced on a *pro forma* basis for the entire Reference Period to reflect any Total Net Interest Expenses attributable to any Bond that has been repurchased, and not resold, by any Group Company during the Reference Period (and in case of the Incurrence Test, up until and including the Incurrence Test Date);
- (b) reduced on a *pro forma* basis for the entire Reference Period to reflect any Total Net Interest Expenses attributable to any Financial Indebtedness for a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity during the Reference Period (to the extent such Total Net Interest Expenses are included in the relevant Financial Statements) (and in case of the Incurrence Test, up until and including the Incurrence Test Date);
- (c) increased on a *pro forma* basis by an amount equal to the Total Net Interest Expenses directly attributable to (i) any Financial Indebtedness owed by acquired entities, and (ii) any Financial Indebtedness incurred to finance the acquisition of entities during the Reference Period (and in case of the Incurrence Test, up until and including the Incurrence Test Date), in each case calculated as if all such debt had been incurred at the beginning of the Reference Period; and
- (d) increased on a *pro forma* basis by an amount equal to the Total Net Interest Expenses directly attributable to any Financial Indebtedness incurred during the Reference Period (and in case of the Incurrence Test, up until and including the Incurrence Test Date and including the new interest bearing Financial Indebtedness in respect of which the Incurrence Test is made and any interest bearing Financial Indebtedness owed by any entity to be acquired with such interest bearing Financial Indebtedness), calculated as if such debt had been incurred at the beginning of the Reference Period.

14.3.3 The figures for Net Interest Bearing Debt for the Incurrence Test shall be measured on the Incurrence Test Date, but shall be (without double counting):

- (a) increased on a *pro forma* basis to include an amount equal to the new interest bearing Financial Indebtedness or Restricted Payment in respect of which the Incurrence Test is

made and any interest bearing Financial Indebtedness owed by any entity to be acquired with such interest bearing Financial Indebtedness; and

- (b) decreased on a *pro forma* basis to exclude any interest bearing Financial Indebtedness to the extent it will be refinanced with the new Financial Indebtedness in respect of which the Incurrence Test is applied,

however, any cash balance/proceeds resulting from the incurrence of the new Financial Indebtedness in respect of which the relevant Incurrence Test is applied shall not reduce Net Interest Bearing Debt.

## 15. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set forth in this Clause 15.

### 15.1 Distributions

The Issuer shall not, and shall procure that none of the Subsidiaries will:

- (a) pay any dividend on shares;
- (b) repurchase any of its own shares;
- (c) redeem its share capital or other restricted equity with repayment to shareholders;
- (d) subject to paragraph (iii) below, repay principal or pay interest under any Hybrid Instruments; or
- (e) make any other similar distributions or transfers of value (*Sw. värdeöverföringar*) to the Issuer's or the Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,

(the transactions set out in paragraphs (a) to (e) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (i) any Group Company if such Restricted Payment is made to a Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
- (ii) the Issuer, provided that:
  - (A) the Incurrence Test (calculated *pro forma* including the relevant Restricted Payment) is met; and
  - (B) the aggregate amount of all Restricted Payments of the Group in a financial year (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with paragraph (i) above and paragraph (iii) below) does not exceed fifty (50.00) per cent. of the Group's consolidated profit before tax (*Sw. resultat före*

*skatt*) (calculated net of any revaluation of assets) according to the annual audited Financial Statements for the previous financial year (and without accumulation of profits from previous financial years); or

- (iii) the Issuer, if such Restricted Payment is a payment of principal or interest under Hybrid Instruments in connection with a refinancing in part or in full of such Hybrid Instruments, and:
  - (A) such refinancing is financed by the issuance of new Hybrid Instruments, other equity instruments or the incurrence of Subordinated Loans; or
  - (B) provided that the Incurrence Test (calculated *pro forma* including the relevant Restricted Payment and Financial Indebtedness) is met

## 15.2 Admission to trading of Bonds

The Issuer shall ensure that:

- (a) the Initial Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm within twelve (12) months after the First Issue Date (however, if such admission to trading is not possible to obtain or maintain, the Issuer shall ensure that such Bonds are admitted to trading on any other Regulated Market within twelve (12) months after the First Issue Date); and
- (b) any Subsequent Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm within twelve (12) months after the Issue Date in respect of such Subsequent Bonds (however, if such admission to trading is not possible to obtain or maintain, the Issuer shall ensure that such Bonds are admitted to trading on any other Regulated Market within twelve (12) months after the relevant Issue Date).

## 15.3 Nature of business

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the First Issue Date

## 15.4 Maintenance Test

The Issuer shall ensure that the Maintenance Test is met for as long as any Bond is outstanding.

## 15.5 Market Loans

- (a) The Issuer shall not issue any new Market Loans unless:
  - (i) the Incurrence Test (calculated *pro forma* including the relevant Market Loan) is met;
  - (ii) such Market Loan ranks *pari passu* with or is subordinated to the obligations of the Issuer under the Bonds; and
  - (iii) such Market Loan has a final redemption date or instalment dates which occur after the Final Redemption Date.
- (b) Issuer shall procure that:



- (i) no Group Company other than the Issuer issues any Market Loan; and
- (ii) no Group Company maintains, prolongs or provides any guarantee or Security over any of the Group's present or future assets to secure any Market Loan.

## **15.6 Disposals of assets, mergers and demergers**

The Issuer shall not, and shall procure that none of the Subsidiaries will:

- (a) sell, transfer or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries; or
- (b) merge or demerge any Group Company, into a company which is not a Group Company;

unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect, provided however that a merger or demerger with the effect that the Issuer is not the surviving entity shall not be permitted.

## **15.7 Maintenance of properties**

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

## **15.8 Insurance**

The Issuer shall, and shall procure that each other Group Company, keep the properties held by the Group insured to the extent customary for similar properties on the relevant geographical market with one or more reputable insurers. The insurance cover shall, *inter alia*, include full value insurance and third party liability insurances.

## **15.9 Dealings with related parties**

The Issuer shall, and shall procure that the Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is another Group Company) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

## **15.10 Compliance with laws and authorisations**

The Issuer shall, and shall procure that the Subsidiaries:

- (a) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm, or any other Regulated Market or recognised unregulated market place on which the Issuer's securities from time to time are listed, and

- (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

#### **15.11 Agency Agreement**

- (a) The Issuer shall, in accordance with the Agency Agreement:
  - (i) pay fees to the Agent;
  - (ii) indemnify the Agent for costs, losses and liabilities;
  - (iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
  - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

#### **15.12 CSD related undertakings**

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

### **16. TERMINATION OF THE BONDS**

Each of the events or circumstances set out in this Clause 16 is an Event of Default (save for Clause 16.11 (*Termination*) and Clause 16.12 (*Distribution of proceeds*)).

#### **16.1 Non-payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of its due date.

#### **16.2 Maintenance Test**

The Issuer fails to comply with the Maintenance Test on any Reference Date.

#### **16.3 Other obligations**

- (a) The Issuer does not comply with its obligations under the Finance Documents (other than as set out under Clause 5 (*Use of proceeds*), Clause 16.1 (*Non-payment*) or Clause 16.2 (*Maintenance Test*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of being remedied and is remedied within fifteen (15) Business Days of the earlier of:
  - (i) the Agent giving notice to the Issuer; and
  - (ii) the Issuer becoming aware of the failure to comply.

#### 16.4 Cross payment default and cross acceleration

- (a) Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described).
- (b) Any commitment for any Financial Indebtedness of any Group Company is cancelled or suspended by a creditor of any Group Company as a result of an event of default (however described).
- (c) Any security interest securing Financial Indebtedness over any asset of any Group Company is enforced.
- (d) No Event of Default will occur under this Clause 16.4 if:
  - (i) the Financial Indebtedness is owed by a Group Company to another Group Company; or
  - (ii) the aggregate amount of Financial Indebtedness falling within paragraphs (a) to (c) above is less than SEK 25,000,000 (or its equivalent in any other currency or currencies).

#### 16.5 Insolvency

- (a) Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (other than under the Terms and Conditions) with a view to rescheduling its Financial Indebtedness.
- (b) A moratorium is declared in respect of the Financial Indebtedness of any Group Company.

#### 16.6 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedures are taken in relation to:
  - (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company;
  - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets; or
  - (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Group Company.
- (b) Paragraph (a) above shall not apply to:
  - (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) calendar days of commencement or, if earlier, the date on which it is advertised; or

- (ii) in relation to Group Companies other than the Issuer, solvent liquidations or a permitted merger or demerger as stipulated in Clause 15.6 (*Disposal of assets, mergers and demergers*).

## **16.7 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 25,000,000 (or its equivalent in any other currency or currencies) and is not discharged within sixty (60) calendar days.

## **16.8 Impossibility or illegality**

- (a) It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents which has a detrimental effect on the interests of the Bondholders or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.
- (b) No Event of Default will occur under this Clause 16.8 due to illegality of the Issuer to perform its obligations under the Finance Documents:
  - (i) until the expiry of the period for notice of redemption pursuant to Clause 12.4 (*Early voluntary total redemption due to illegality (call option)*); or
  - (ii) if the Issuer has given notice of a redemption pursuant to Clause 12.4 (*Early voluntary total redemption due to illegality (call option)*) and provided that such redemption is duly exercised.

## **16.9 Cessation of business**

A Group Company ceases to carry on its business, except if due to:

- (a) a solvent liquidation of a Group Company other than the Issuer; or
- (b) a permitted disposal, merger or demerger as stipulated Clause 15.6 (*Disposal of assets, mergers and demergers*) and provided, in relation to a discontinuation of a Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

## **16.10 Mergers and demergers of the Issuer**

The Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

## **16.11 Termination**

- 16.11.1 If an Event of Default has occurred and is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 16.11.3 or 16.11.5, on behalf of the Bondholders, by notice to the Issuer terminate the Bonds and to declare all, but not some only, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than

twenty (20) Business Days from the date on which the Agent made such declaration) and exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- 16.11.2 The Agent may not terminate the Bonds in accordance with Clause 16.11.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the grounds mentioned under Clause 16.11.1.
- 16.11.3 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received notice of or gained actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to Clause 16.1 (*Non-payment*)) up until the time stipulated in Clause 16.11.4 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 16.11.4 The Agent shall, within twenty (20) Business Days of the date on which the Agent received notice of or otherwise gained actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 17 (*Decisions by Bondholders*). If the Bondholders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Bondholders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 16.11.5 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 17 (*Decisions by Bondholders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Bondholders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 16.11.6 If the Bonds are declared due and payable in accordance with the provisions in this Clause 16, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 16.11.7 If the right to terminate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of termination to be deemed to exist.

16.11.8 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 16 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 17 (*Decisions by Bondholders*).

16.11.9 If the Bonds are declared due and payable in accordance with this Clause 16, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount for the relevant period (plus accrued but unpaid Interest), but shall up until the First Call Date be the price set out in paragraph (a) of the definition of Call Option Amount, together with accrued but unpaid interest.

## **16.12 Distribution of proceeds**

16.12.1 If the Bonds have been declared due and payable in accordance with this Clause 16, all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *firstly*, in or towards payment *pro rata* of:
  - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Bondholders);
  - (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
  - (iii) any non-reimbursed costs incurred by the Agent for external experts under the Finance Documents; and
  - (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid interest under the Bonds (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including any default interest.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

16.12.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.12.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.12.1.

16.12.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act

(Sw. lag (1944:181) om redovisningsmedel) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16.12 as soon as reasonably practicable.

- 16.12.4 If the Issuer or the Agent shall make any payment under this Clause 16.12, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 10.1 shall apply.

## **17. DECISIONS BY BONDHOLDERS**

### **17.1 Request for a decision**

- 17.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 17.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 17.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given or the suggested decision is not in accordance with applicable regulations.
- 17.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 17.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer and/or the Issuing Agent shall upon request by the convening Bondholder(s) provide such Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 17.1.6 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17.2.1 or instigate a Written Procedure by sending communication in accordance with Clause 17.3.1. After a request from the Bondholders 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 Bondholders' Meeting in accordance with Clause 17.2.1. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

## **17.2 Bondholders' Meeting**

17.2.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.

17.2.2 The notice pursuant to Clause 17.2.1 shall include:

- (a) the time for the meeting;
- (b) the place for the meeting;
- (c) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- (d) an agenda for the meeting (including the reasons for, and contents of, each request for a decision by the Bondholders and if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment);
- (e) a form of power of attorney;
- (f) any applicable conditions precedent and conditions subsequent;
- (g) should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice; and
- (h) information on where additional information (if any) will be published.

Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting.

17.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days from the effective date of the notice.

17.2.4 If no Person has been appointed by the Agent to open the Bondholders' Meeting, the meeting shall be opened by a Person appointed by the requesting Person.

17.2.5 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' 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 and advisors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the



representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.

- 17.2.6 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in Person.

### **17.3 Written Procedure**

- 17.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the communication to the Issuer.
- 17.3.2 A communication pursuant to Clause 17.3.1 shall include:
- (a) each request for a decision by the Bondholders;
  - (b) a description of the reasons for, and contents of, each proposal (including, if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment);
  - (c) any applicable conditions precedent and conditions subsequent;
  - (d) information on where additional information (if any) will be published;
  - (e) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights;
  - (f) 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;
  - (g) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but no more than thirty (30) Business Days from the effective date of communication pursuant to Clause 17.3.1); and
  - (h) if the voting shall be made electronically, instructions for such voting.
- 17.3.3 When the requisite majority consents of the aggregate Adjusted Nominal Amount pursuant to Clause 17.4.2 and Clause 17.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.4.2 and Clause 17.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.
- 17.3.4 The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent, including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

## 17.4 Majority, quorum and other provisions

17.4.1 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 9 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

17.4.2 Any matter not covered by Clause 17.4.3 shall require the consent of Bondholders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3.2. This includes, but is not limited to, any amendment to or waiver of any Finance Document that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) to (f) of Clause 18.1) or a termination of the Bonds.

17.4.3 The following matters shall require consent of Bondholders representing at least sixty-six and two thirds ( $66\frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3.2:

- (a) waive a breach of or amend an undertaking set out in Clause 15 (*Special undertakings*);
- (b) amend the terms of Clause 2 (*Status of the Bonds*);
- (c) amend the terms of Clause 16.12 (*Distribution of proceeds*);
- (d) a mandatory exchange of the Bonds for other securities;
- (e) reduce the principal amount, premiums in connection with redemption or repurchase of any Bonds, Interest Rate or Interest which shall be paid by the Issuer (other than as a result of an application of Clause 18 (*Replacement of Base Rate*));
- (f) amend any payment day for principal or Interest or waive any breach of a payment undertaking;
- (g) a change of issuer; or
- (h) amend the provisions in Clause 17.4.2 or in this Clause 17.4.3.

17.4.4 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Bondholders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Bondholders' Meeting shall be appointed by the Bondholders in accordance with Clause 17.4.2.

- 17.4.5 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' 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.
- 17.4.6 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 17.4.7 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17.2.1) or initiate a second Written Procedure (in accordance with Clause 17.3.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 17.4.7, the date of request of the second Bondholders' Meeting pursuant to Clause 17.2.1 or second Written Procedure pursuant to Clause 17.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 17.4.5 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 17.4.8 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.4.9 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.4.10 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that vote in respect of the proposal at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.4.11 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or other Bondholders.
- 17.4.12 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.4.13 If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate

specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates as per the relevant Record Date for voting, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.

- 17.4.14 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each Bondholder 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **18. AMENDMENTS AND WAIVERS**

### **18.1 Amendments and waivers**

- 18.1.1 The Issuer (or, if applicable, any other relevant Group Company) and the Agent (acting on behalf of the Bondholders) may agree in writing to amend the Finance Documents or waive any provision in the Finance Documents (or any other document relating to the Bonds), provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders (as a group);
  - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
  - (c) is required by applicable regulation, a court ruling or a decision by a relevant authority;
  - (d) is necessary for the purpose of having the Bonds admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market), provided that such amendment or waiver does not materially adversely affect the rights of the Bondholders;
  - (e) is made pursuant to Clause 19 (*Replacement of Base Rate*); or
  - (f) has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.
- 18.1.2 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 18.1.3 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

### **18.2 Defeasance**

- 18.2.1 In addition to Clause 18.1, in connection with a full redemption of all outstanding Bonds and subject to the terms in this Clause 18.2, the Agent may agree in writing to waive any or all provisions in the Finance Documents. Any waiver provided in accordance with this Clause

18.2 may be made at the Agent's sole discretion (acting on behalf of the Bondholders) without having to obtain the consent of the Bondholders provided that:

- (a) at the latest on the date on which the waiver becomes effective, an amount corresponding to the total nominal amount outstanding under the Bonds as well as any applicable Call Option Amount and, any accrued but unpaid Interest and any other amounts due to be paid to the Agent and/or the Bondholders under or in respect of the Finance Document until the relevant Redemption Date is transferred to a pledged account held by the Issuer with a reputable Swedish bank subject to duly perfected first ranking security in favour of the Agent and the Bondholders;
- (b) the Issuer undertakes to redeem and/or repurchase and cancel all outstanding Bonds in full within four (4) months from the date on which the waiver becomes effective; and
- (c) the Issuer undertakes to not issue any Subsequent Bonds following the effectiveness of the waiver.

18.2.2 Notwithstanding the above, any waiver provided by the Agent will not affect the Issuer's obligations under Clause 15.10 (*Compliance with laws*), Clause 15.2 (*Admission to trading*), Clause 15.11 (*Undertakings relating to the Agency Agreement*), or Clause 15.12 (*CSD related undertakings*) or, to the extent such provisions relate to the Issuer, the Agent's and the Bondholders' rights to terminate the Bonds pursuant to Clause 16.1 (*Non-payment*), Clause 16.6 (*Insolvency proceedings*), Clause 16.5 (*Insolvency*), Clause 16.7 (*Creditors' process*) or Clause 16.10 (*Mergers and demergers of the Issuer*).

18.2.3 Redemption of all Bonds in accordance with this Clause 18.2 shall be made by the Issuer giving notice to the Bondholders in accordance with Clause 12.3 (*Early voluntary total redemption (call option)*), but such notice may not contain any conditions precedent following the effectiveness of the waiver.

## **19. REPLACEMENT OF BASE RATE**

### **19.1 General**

19.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 19 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

19.1.2 If a Base Rate Event has occurred, this Clause 19 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

### **19.2 Definitions**

In this Clause 19:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or

- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

“**Base Rate Amendments**” has the meaning set forth in Clause 19.3.4.

“**Base Rate Event**” means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*) containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

“**Base Rate Event Announcement**” means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

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

“**Relevant Nominating Body**” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Council (Sw. *Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Bonds, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or
- (b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply mutatis mutandis to such new Successor Base Rate.

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

- 19.3.1 Without prejudice to Clause 19.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 19.3.2.
- 19.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate.
- 19.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 19.3.2, the Bondholders shall, if so decided at a Bondholders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 19.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 19.3 to 19.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer’s cooperation.
- 19.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice (“**Base Rate Amendments**”).
- 19.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

#### **19.4 Interim measures**

- 19.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:
- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
  - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 19.4.2 For the avoidance of doubt, Clause 19.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 19. This will however not limit the application of Clause 19.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 19 have been taken, but without success.

#### **19.5 Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuing Agent and the Bondholders in accordance with Clause 25 (*Notices and press releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

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

- 19.6.1 No later than giving the Agent notice pursuant to Clause 19.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 19.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 19. The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Bondholders.
- 19.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 19.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 19.



- 19.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 19. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

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

Any Independent Adviser appointed pursuant to Clause 19.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

## **20. THE AGENT**

### **20.1 Appointment of the Agent**

- 20.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer including, for the avoidance of doubt, any legal or arbitration proceeding relating to any mandatory exchange of the Bonds for other securities (including, for the avoidance of doubt, a right for the Agent to subscribe for any such new securities on behalf of the relevant Bondholder).
- 20.1.2 By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 20.1.1.
- 20.1.3 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 20.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.5 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

20.1.6 The Agent may act as agent, trustee and/or security agent for several issues of securities or other loans 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 Bondholders in accordance with the Finance Documents.

20.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.

20.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.

20.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

20.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.

20.2.6 The Issuer shall on demand by the Agent pay all reasonably incurred costs for external experts engaged by it:

- (a) after the occurrence of an Event of Default;
- (b) for the purpose of investigating or considering:
  - (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default; or
  - (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents;
- (c) in connection with any Bondholders' Meeting or Written Procedure; or
- (d) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents.

Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16.12 (*Distribution of proceeds*).

20.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

- 20.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor:
- (a) whether any Event of Default has occurred;
  - (b) the financial condition of the Issuer and the Group;
  - (c) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents; or
  - (d) whether any other event specified in any Finance Document has occurred or is expected to occur.

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

- 20.2.9 The Agent shall (a) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 13.3.2 and as otherwise agreed between the Issuer and the Agent and (b) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 20.2.9.
- 20.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 20.2.10. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 20.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 20.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 20.2.13 The Agent shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or if it refrains from acting for any reason described in Clause 20.2.12.
- 20.2.14 Upon the reasonable request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the

discretion of the Agent). The Agent may require that the requesting Bondholder 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 shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.

- 20.2.15 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in connection with these Terms and Conditions, the Agent shall be entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default, which event shall be governed by Clause 16.11.3).

### **20.3 Liability for the Agent**

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

## **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 Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' 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 Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after:
- (a) the earlier of the notice of resignation was given or the resignation otherwise took place; or
  - (b) the Agent was dismissed through a decision by the Bondholders,
- the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.
- 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 Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of:
- (a) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent; and
  - (b) the period pursuant to paragraph (b) of Clause 20.4.4 having lapsed.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 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 Finance Documents. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **21. THE ISSUING AGENT**

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

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 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 Bondholder or the admission to trading of the Bonds 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 Central Securities Depository Regulation (Regulation (EU) No 909/2014) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **23. NO DIRECT ACTIONS BY BONDHOLDERS**

- 23.1 A Bondholder may not take any action or legal steps whatsoever against any Group Company to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or their equivalents in any other jurisdiction) of any Group Company in relation to any of the obligations or liabilities of such Group Company under the Finance Documents. 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 Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 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 of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 20.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.13 before a Bondholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 12.4 (*Mandatory repurchase due to a Change of Control, De-listing or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **24. TIME-BAR**

- 24.1 The right to receive repayment of the principal of the Bonds 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 Bondholders' 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 limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to 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 AND PRESS RELEASES**

### **25.1 Notices**

- 25.1.1 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 or, if sent by e-mail by the Issuer, to such e-mail address notified by the Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or to such address as notified by the Issuer to the Agent by not less than five (5) Business Days' notice from time to time, or, if sent by e-mail by the Agent, to such e-mail address as notified by the Issuer to the Agent from time to time; and

- (c) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address) on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 25.1.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (or, if between the Agent and the Issuer, by e-mail) and will only be effective:
- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1;
  - (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1; or
  - (c) in case of e-mail to the Agent or the Issuer, when received in legible form by the e-mail address specified in Clause 25.1.1.
- 25.1.3 Any notice which shall be provided to the Bondholders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:
- (a) a cover letter, which shall include:
    - (i) all information needed in order for Bondholders to exercise their rights under the Finance Documents;
    - (ii) details of where Bondholders can retrieve additional information (if any);
    - (iii) contact details to the Agent; and
    - (iv) an instruction to contact the Agent should any Bondholder wish to receive the additional information by regular mail; and
  - (b) copies of any document needed in order for Bondholder to exercise their rights under the Finance Documents or a link to a webpage where Bondholders can retrieve such documents.
- 25.1.4 Any notice or other communication to the Bondholders pursuant to the Finance Documents shall be in English.
- 25.1.5 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## **25.2 Press releases**

- 25.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clause 12.3 (*Early voluntary total redemption (call option)*), Clause 12.4 (*Early voluntary total redemption due to illegality (call option)*), Clause 12.5 (*Mandatory repurchase due to a Change of Control, De-listing or Listing Failure (put option)*), paragraph (a)(i) of Clause 13.4 (*Information: miscellaneous*) or Clauses 16.11.3, 16.12.4, 17.4.14, 17.2.1, 17.3.1, 18.1.2, 19.5,



20.2.13 or 20.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

- 25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## **26. FORCE MAJEURE**

- 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, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 26.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 26.3 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27. ADMISSION TO TRADING**

- 27.1 The Issuer shall use its reasonable endeavours to procure that:
- (a) the Initial Bonds are admitted to trading on the sustainable bond list at Nasdaq Stockholm or any other Regulated Market within thirty (30) calendar days after the First Issue Date; and
  - (b) any Subsequent Bonds are admitted to trading on the same Regulated Market as the Initial Bonds within thirty (30) days from the relevant Issue Date,
- or, in each case, any shorter period required by law or applicable stock exchange regulations.
- 27.2 The Issuer has undertaken to admit the Initial Bonds and any Subsequent Bonds to trading on the sustainable bond list of Nasdaq Stockholm, or any other Regulated Market, within twelve (12) months after the relevant Issue Date, in accordance with Clause 15.2 (*Admission to trading of Bonds*). Furthermore, if the Initial Bonds or any Subsequent Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm, or any other Regulated Market, within sixty (60) calendar days from the relevant Issue Date, each Bondholder has a right to have its Bonds repurchased by the Issuer (put option) in accordance with Clause 12.5 (*Mandatory repurchase due to a Change of Control, De-listing or Listing Failure (put option)*).

## **28. GOVERNING LAW AND JURISDICTION**

- 28.1 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.
- 28.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 28.3, be determined by Swedish courts and the City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.
- 28.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
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## **SCHEDULE 1**

### **CONDITIONS PRECEDENT**

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#### **Part 1**

#### **Conditions Precedent for the Initial Bond Issue**

##### **1. Corporate documents**

- (a) Copies of the certificate of registration (Sw. *registreringsbevis*) and articles of association (Sw. *bolagsordning*) of the Issuer.
- (b) A copy of a resolution of the board of directors of the Issuer:
  - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
  - (ii) authorising a specified person or persons to execute the Finance Documents on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to execute all documents and notices to be executed by it under or in connection with the Finance Documents to which it is a party.

##### **2. Finance Documents**

- (a) A duly executed copy of the Terms and Conditions.
- (b) A duly executed copy of the Agency Agreement.

**Part 2****Conditions Precedent for a Subsequent Bond Issue****1. The Issuer**

- (a) Copies of the certificate of registration (Sw. *registreringsbevis*) and articles of association (Sw. *bolagsordning*) of the Issuer.
- (b) A copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith.

**2. Miscellaneous**

- (a) A duly executed copy of a Compliance Certificate from the Issuer certifying that, so far as it is aware, no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the Subsequent Bond Issue, and that the Incurrence Test is met, including calculations and figures in respect of the Incurrence Test.
- (b) Such other documents and evidence as is agreed between the Agent and the Issuer.

## SCHEDULE 2

### FORM OF COMPLIANCE CERTIFICATE

#### COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ) as Agent

From: Fastighets Aktiebolaget Trianon (publ) as Issuer

Date: [date]

Dear Sir or Madam,

#### Fastighets Aktiebolaget Trianon (publ)

#### Maximum SEK 500,000,000 senior unsecured callable floating rate sustainable bonds 2023/2025 with ISIN: SE0020355220 (the "Bonds")

(1) We refer to the terms and conditions for the Bonds (the "Terms and Conditions"). This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

((2)) **[Maintenance Test]**

We confirm that the Maintenance Test is met and that in respect of the Reference Date [date]:

- (a) *Loan to value:* Net Interest Bearing Debt was SEK [●], Property Value was SEK [●] and therefore the ratio of Net Interest Bearing Debt to Property Value was [●] per cent. (and should not exceed 70.00 per cent.).
- (b) *Interest Coverage Ratio:* Adjusted Profits Before Taxes was SEK [●], Total Net Interest Expenses was SEK [●] and therefore the Interest Coverage Ratio was [●]:1.00 (and should be equal to or higher than 1.25:1.00).

In each case including the relevant distribution or payment on a *pro forma* basis and otherwise calculated in accordance with Clause 14.3 (*Calculation principles*).

Computations as to compliance with the Maintenance Test are attached hereto.<sup>2]3</sup>

((3)) **[Incurrence Test]**

This is an Incurrence Test in respect of [*describe relevant incurrence*]. We confirm that the Incurrence Test is met and that in respect of the Incurrence Test Date, being [date].

- (a) *Loan to value:* Net Interest Bearing Debt was SEK [●], Property Value was SEK [●] and therefore the ratio of Net Interest Bearing Debt to Property Value was [●] per cent. (and should not exceed 65.00 per cent.).

<sup>2</sup> To include calculations of the Maintenance Test including any adjustments.

<sup>3</sup> This section to be used if the Compliance Certificate is delivered in connection with the delivery of a Financial Statement.

(b) *Interest Coverage Ratio*: Adjusted Profits Before Taxes was SEK [●], Total Net Interest Expenses was SEK [●] and therefore the Interest Coverage Ratio was [●]:1.00 (and should be equal to or higher than 1.50:1.00).

(c) No Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or would occur upon the incurrence,

in each case including the relevant incurrence on a *pro forma* basis (if applicable) and otherwise calculated in accordance with Clause 14.3 (*Calculation principles*).

Computations as to compliance with the Incurrence Test are attached hereto.<sup>4</sup><sup>5</sup>

([4]) [We confirm that, so far as we are aware, no Event of Default is continuing.]<sup>6</sup>

**Fastighets Aktiebolaget Trianon (publ)**

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

*Authorised signatory*

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

*Authorised signatory*

<sup>4</sup> To include calculations of the Incurrence Test and any adjustments pursuant to Clause 14.2 (*Incurrence Test*).

<sup>5</sup> This section to be used if the Compliance Certificate is delivered in connection with an Incurrence Test.

<sup>6</sup> Should be included in each Compliance Certificate. If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

## ADDRESSES

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**Issuer**

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SE-212 12 Malmö, Sweden  
Tel: +46 (0)40-611 34 00  
Web page: [www.trianon.se](http://www.trianon.se)

**Central securities depository**

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Klarabergsviadukten 63  
P.O. Box 191  
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Tel: +46 (0)8-402 90 00  
Web page: [www.euroclear.com](http://www.euroclear.com)

**Issuing Agent**

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**Agent**

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