

FASTIGHETS AKTIEBOLAGET TRIANON AB (PUBL)

PROSPECTUS REGARDING LISTING OF MAXIMUM

SEK 500,000,000

SENIOR UNSECURED CALLABLE FLOATING RATE BONDS

2018/2021

ISIN: SE0010833491

22 March 2018

Amounts payable under the Bonds are calculated by reference to STIBOR, which is provided by the Swedish Bankers' Association (Sw. Svenska Bankföreningen). As at the date of this Prospectus, the Swedish Bankers' Association does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR"). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the Swedish Bankers' Association is not currently required to obtain authorisation or registration.

Important information

This prospectus (the “**Prospectus**”) has been prepared by Fastighets Aktiebolaget Trianon (publ) (“**Trianon**”, the “**Company**” or the “**Issuer**”), registration number 556183-0281, in relation to the application for listing of bonds issued under the Company’s maximum SEK 500,000,000 senior unsecured callable floating rate bonds 2018/2021 with ISIN SE0010833491 (the “**Bonds**”), issued on 26 February 2018 (the “**First Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at Nasdaq Stockholm AB (“**Nasdaq Stockholm**”). References to the “Company” or the “Group” refer in this Prospectus to Fastighets Aktiebolaget Trianon (publ) and its subsidiaries from time to time. References to “SEK” refer to Swedish Kronor.

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

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

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

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Group. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group’s operations. Such factors of a significant nature are mentioned in section “*Risk factors*” below.

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

The 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 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.

Table of Contents

Risk factors.....	4
Responsible for the information in the Prospectus.....	22
The Bonds in brief.....	23
The Company and its operations	27
Board of directors, senior management and auditors	32
Overview of financial reporting and documents incorporated by reference	34
Documents available for inspection	36
Terms and Conditions for the Bonds.....	37
Addresses	71

Risk factors

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

Risks related to the Group and its operations and the industry

Changes to macroeconomic factors may negatively impact the property sector

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

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

More than 50 per cent. of the commercial property lease agreements and all residential lease agreements entered into by the Group Companies are linked to the Swedish Consumer Price Index (Sw. *konsumentprisindex*), which means that the agreements are adjusted in accordance with the inflation. There is a risk that the Company and the Group will not be able to negotiate lease agreements that wholly or partially compensate the inflation. If the Company's costs due to inflation increase more than the compensation due to index adjustments, it could have a material negative impact on the Company's operations, profit and financial position.

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

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

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

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

The Company's revenue primarily consist of rental income, which depend on occupancy rates with respect to properties and premises, rental rates, and the extent to which tenants fulfil their payment obligations towards the Company. Rental rates and occupancy rates are, among other factors, affected by economic growth and the rate at which new premises and housing are produced. As of 31 December 2017, around 50 per cent. of the Company's revenue was attributable to commercial premises and approximately 50 per cent. to residential housing.¹ As of 31 December 2017, the Company's ten largest commercial tenants accounted for around 50 per cent. of its annual contracted revenue for commercial premises. Should one or more of the Company's major tenants refrain from renewal or extension of their rental agreements at the relevant expiry date, it could negatively affect occupancy rates and rental income.

As of 31 December 2017, Malmö City Council and the Swedish Migration Agency – two of the Company's major tenants – accounted for approximately 30 per cent. of the Company's annual contracted revenue for commercial premises. Malmö City Council and the Swedish Migration Agency are tax-funded and are subject to political decisions or cost-saving initiatives which in turn could affect the eligibility of extended contracts at expiry, at terms which are favourable to the Company. Should such contracts not be extended, it could negatively affect occupancy rates, with rental revenue falling as a result.

Rental income is also affected by current rates of market rental rates. General market trends may impact rents in conjunction with the renegotiation of existing rental agreements, as well as during

¹ The Company's year-end report 2017, p. 11, not reviewed by auditors.

agreement of contracts with new tenants. Should the Company fail to enter into or extend rental agreements at favourable terms, or at all, this could lead to a drop in occupancy rates and rental revenues.

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

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

The calculation of rent differs substantially between commercial premises and residential properties. Levels of rent for commercial premises depend on the economic climate, and are primarily affected by factors such as general demand, the type of premises, design, standard, location and the allocation of costs and ongoing management measures between the tenant and property owner. Unlike rental calculation for commercial premises, rental calculation in relation to the Swedish residential housing rental market is not subject to free-price setting. Calculation of rent for residential housing is partially regulated through the so-called utility value system (Sw. *bruksvärde*ssystemet) 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. *Hiresgästföreningen*). With respect to Malmö, the so called Malmö model – which is a local form of the utility value system – is in effect, consisting of an agreement between the Swedish Union of Tenants (South Skåne Region) and Malmö's Municipal Housing Enterprise (Sw. *Malmö Kommunala Bostadsbolag (MKB)*). With respect to rental calculation, the standard and location of apartments are given greater importance than otherwise the case in other geographical areas. Hence, the Company is particularly sensitive to standard and location of its properties in the calculation of rental rates, which may affect the level of rental income with respect to residential housing.

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

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

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

The Company is obliged to maintain a certain standard with regard to its buildings and residential housing in order to comply with the terms of rental agreements as well as with regulatory

requirements. A large proportion of the Company's cost items are therefore attributable to maintenance. As of 31 December 2017, such costs accounted for 30 per cent. of the Company's total property expenditure. Such costs are recognised in the financial statements to the extent they constitute repair and maintenance for the purpose to maintain the original standard of the property. Other additional expenditures associated with maintenance is capitalised in the balance sheet to the extent such measures are deemed to increase the value of the property. Maintenance costs also include technical maintenance of the properties, leading to that structural defects, hidden faults and defects, damage (caused by, for example, power cuts, vermin, fire, asbestos or mould), contamination and severe weather conditions. As a result, unforeseen, extensive renovation work may lead to a substantial rise in maintenance costs.

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

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

The Company is subject to risks related to changes in property value

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

Risks relating to the Company's reputation

The Company's reputation affects the Group's operations and future earning capacity. The long-term profitability of the Company is dependent on the extent to which tenants, credit institutes and other participants on the property market associate the Company and its operations in the Malmö region with positive values and high standards. Should the Company, or any of its board members, senior management or other companies or individuals with whom the Company is affiliated or may be associated, act in a manner which conflicts with the values it represents, the reputation of the Company may be impaired. Such deterioration of the Company's reputation could have a material negative impact on the Company's operations, financial position and earnings.

Risks related to jointly-owned properties

In addition to the Company's direct and indirect subsidiaries, the Group holds six associated undertakings which together own three investment properties. Shares in associated companies are reported in the financial statements using the equity method (Sw. *kapitalandelsmetoden*), which

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

The Company is subject to competition from other property companies

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

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

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

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

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

Risks associated with the acquisition of properties

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

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

Risks associated with the divestment of properties

The Company's ability to divest properties at favourable terms depends on the development of the property market in the Malmö region. There is a risk of lack of liquidity on the market, which could negatively affect the Company's ability to divest its properties. Should the Company be forced to divest one or more of its properties, for example, due to a decline in the Company's financial condition, there is a risk that such divestment could not be completed at terms favourable to the company, or at all, which could have a negative impact on the Company's operations, financial position and earnings.

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

Risks relating to the Company's project development

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

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

Risks relating to holdings of properties with site leasehold rights

Some of the Group's property holdings are held by way of site leasehold right (Sw. *tomträtt*) for which there is a ten-year leasing term. The current leasing terms applicable to the Groups leaseholds expire between 2020 and 2027. If the lease is reassessed by the municipality in question, new lease agreement and the lease in relation to the leasehold right is determined by the applicable value of land and a certain interest rates. There is a risk that such reassessments could lead to a rise in the Company's costs associated with leases, which could have a negative impact on the Company's operations, financial position and earnings.

The Company is subject to environmental risks

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

Environmental risks associated with the Company's operations primarily entail the risk of contamination and hazardous substances occurring in properties and buildings. The Company is

also subject to ongoing inspections by the Environmental Department (Sw. *Miljöförvaltningen*), including subsequent measures which must be adopted. Measures performed inadequately following such inspections may result in the imposition of enforcement measures, fees or financial penalties and, in some cases, restrictions on the Company's activities.

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

Existing insurance coverage may prove to be insufficient

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

The Company is dependent on retaining and recruiting competent personnel

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

The Company may be subject to disputes and legal proceedings

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

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

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

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

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

Legislative work is continuously ongoing with regard to laws and regulations and established practice concerning the taxation of companies. On 20 June 2017, the Swedish Government submitted a memorandum for remittance (Sw. *remiss*) including proposals for new tax legislation with regard to, *inter alia*, interest deduction limitations. In brief, the proposals include the following:

- The current Swedish interest deduction limitation rules are proposed to be amended; interest will not be deductible if a debt relationship has been entered into *exclusively, or as good as exclusively*, for the purpose of obtaining a significant tax benefit for the group. If interest deduction is not limited under this provision, a general interest deduction limitation rule is to be applied.
- A general interest deduction limitation rule in the corporate sector is proposed; interest deduction will be limited in relation to EBIT (35 per cent. of EBIT), or, alternatively, in relation to EBITDA (25 per cent. of EBITDA).
- A temporary (a two, or alternatively three, year period) limitation of utilisation of tax losses carried forward is proposed; tax losses will only be possible to offset against a maximum of 50 per cent. of the profits (with a carry forward of any non-utilized tax losses).
- The corporate income tax rate is proposed to be reduced from 22 per cent. to 20 per cent.

The proposals have been subject to remittance (Sw. *remiss*), and the remittance phase ended on 26 September 2017. It is currently uncertain if, to what extent and in which form, the proposals will be adopted. The new rules are proposed to enter into force 1 July 2018. For companies with calendar year as financial year, the rules will apply as from 1 January 2019.

Any aforementioned tax regulation amendments could limit the Group's ability to make interest deductions for financial costs. Depending on the Group's capital structure at the time the legislation enters into force, such changes could have a material negative effect on the Group's operations, profit and financial position.

In March 2017, a proposal was put forward regarding new tax legislation applicable to property owners based on an investigation regarding tax-free sale of properties packaged in companies, so called packaging. In brief, the proposal sets out that if a property is divested through packaging (*i.e.* by divesting the company which owns the property), the divested company shall, in certain situations, be deemed to have divested and bought back the property (so called, Sw. *avskattning*). In order to ensure that packaging is treated equally with a direct divestment of a property, the company owning the property shall as a substitute to stamp duty, account for a standard income (Sw. *schablonintäkt*). The proposal further entails that the classification of properties as inventory items or capital assets is abolished within the corporate sector. The proposal's remittance (Sw. *remiss*) phases ended on 14 August 2017. It is currently uncertain to what extent and in which form the proposals will be adopted. The new legislative changes are proposed to enter into force on 1 July 2018, and are proposed to apply on transfers of shares made after 30 June 2018.

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

Changes to accounting regulations and the application thereof

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

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

The Company is primarily financed by loans from credit institutes, bringing about long-term liabilities maintained at floating and fixed interest rates. Consequently, interest rate costs constitute one of the Company's largest cost items. Interest rate risk refers to the risk that changes to market interest rates could negatively affect the Group's earnings and cash flow. Interest costs are primarily affected by current market interest rates and the margins of credit institutes as well as any interest lock-in period chosen by the Company. As of 31 December 2017, the average interest rate for the Company's interest-bearing liabilities was 2.1 per cent., including interest rate swaps.²

² The Company's year-end report 2017, p. 20, not reviewed by auditors.

Based on the Company's debt as of 31 December 2017, a change to the market interest rate of one percentage point would increase or reduce the Company's pre-tax earnings by around MSEK 13.6, for the part of the debt not representing interest-rate swaps. Market interest rates are primarily affected by the anticipated rate of inflation, with short-term interest rates governed mainly by the Swedish Central Bank's (Sw. *Riksbanken*) base rate. Decreased as well as increased interest rates could have a negative impact on the Company's operations, financial position and earnings.

Market interest rates could also have an impact on the part of the Company's liabilities consisting of interest rate swaps. As of 31 December 2017, the Company held interest rate swaps at a combined outstanding nominal amount of around MSEK 1160,³ with a book value of MSEK 67.⁴ Interest rate derivatives are reported at fair value. As market interest rates fluctuate, interest rate derivatives are subject to a theoretical increase or decrease in value, which does not impact on cash flow. A decrease in market interest rates would trigger a drop in the market value of the Company's interest rate derivatives, which could have a negative impact on earnings.

Refinancing risks

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

All long term bank loans of the Company are governed under framework agreements (Sw. *ramavtal*) regulating both general terms as well as duration. The Company has recently renegotiated several loans and reduced outstanding amounts significantly. Historically, the average term for tied-up capital has been relatively short, and the Company strives to achieve longer duration for tied-up capital. Shorter duration for tied-up capital brings about more frequent renegotiations, which could entail greater refinancing risks.

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

³ The Company's year-end report 2017, p. 13, not reviewed by auditors.

⁴ The Company's year-end report 2017, p. 16, not reviewed by auditors.

The Company's operations are partially financed by state financing

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

Risks related to changes in control

A number of the Company's operational agreements contain so-called change of control clauses, which entitle the counterparty to cancel relevant agreements, without the observance of a notice period, in the event the Company undergoes a change of ownership. For example, the Group's loan and security agreements provides an obligation for the Company to obtain written approval from lenders or pledgees prior to an imminent significant business event or change of control. In the event the Company undergoes a relevant change of control, there is a risk that one or more of its contractual parties will cancel their agreements. This could have a negative impact on the Company's operations, financial position and earnings.

Credit and counterparty risks

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

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

Liquidity risks

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

Risks related to the Bonds*Credit risks*

An investment in the Bonds carries a credit risk relating to the Company and the Group. The bondholders' ability to receive payment under the Terms and Conditions of the Bonds is therefore dependent upon the Company's and the Group's ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its

financial position. The Group's financial position is affected by several factors, a number of which have been discussed in this Prospectus.

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

Refinancing risk

The Company may be required to refinance its outstanding debt, including the Bonds. The Company's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Company's financial position at such time. Even if the markets and the Company's financial position improve, the Company's access to financing sources may not be available on acceptable terms, or at all. The Company's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Company's operations, earnings and financial position and on the bondholders' recovery under the Bonds.

Ability to comply with the Terms and Conditions

The Company is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Bonds. Events beyond the Company's control, including changes in the economic and business condition in which the Group operates, may affect the Company's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in an event of default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in that the Company has to repay the bondholders at the applicable call premium. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Interest rate risks

The value of the Bonds is dependent on several factors, including the level of the general market interest rates over time. The Bonds have a floating rate structure on three months STIBOR plus a margin and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. An increase of the general interest rate level could adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control.

Liquidity risks

The Company has undertaken to list the Bonds on the corporate bond list of Nasdaq Stockholm within twelve months after the First Issue Date of the Bonds. It is further the Company's intention to complete such listing within 30 calendar days from the First Issue Date of the Bonds, and if the Bonds have not been admitted to trading within 4 calendar months after the First Issue Date of the Bonds, each bondholder shall have a right of prepayment (put option) of its Bonds. There is a risk that the Bonds will not be admitted to trading. Further, there is not always active trading in the securities and there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the

market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm.

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

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Company's and the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, some of which have been discussed above. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Company's operating results, financial position or prospects.

Currency risk

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

Dependence on subsidiaries

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

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

Structural subordination and insolvency of subsidiaries

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

Unsecured obligations and security over assets granted to third parties

The Bonds represent unsecured debt obligations of the Company. This means that if the Company is subject to any dissolution, winding-up, liquidation, restructuring (Sw. *företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings, the bondholders normally receive payment after any priority creditors have been paid in full. The bondholders will only have an unsecured claim against the Company. As a result, the bondholders may not recover any or all of its investment.

Each investor should therefore be aware of that an investment in the Bonds entails a risk that the investor loses all or part of its investment if the Company becomes liquidated, bankrupt, insolvent, carries out a restructuring or is wound-up.

Influence of major shareholders and change of control

As of 31 December 2017, the two largest shareholders combined held approximately 61 per cent. of the shares and 71 per cent. of the votes in the Company, and such shareholders are in turn either represented by or owned by certain founders, senior executives or members of the board of directors of the Company. The Company may, as a result of these shareholders' holdings in the Company, be controlled by certain majority shareholders whose interests may differ significantly from or compete with the Company's or the Group's interests or those of the bondholders 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 bondholders, 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 bondholders. 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 bondholders' 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 bondholders or involve risks to the bondholders. Such conflict of interest could have a material adverse effect on the Group's operations, earnings and financial position and adversely affect the investor's ability to receive payment under the Terms and Conditions. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is a risk that the Company does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment, see further under Section *Risks related to early redemption and put option* below.

Risks related to early redemption and put option

Under the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount, which exceeds the nominal amount of the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if (i) an event or series of events occur whereby: one or more persons (other than any main shareholder, as defined in the Terms and Conditions) acting together, acquire control over the Company and where "control" means acquiring or controlling, directly or indirectly, more than 50 per cent. of the votes of the Company, 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 Company, (ii) the Company's shares are no longer listed and admitted to trading on Nasdaq First North Premier, any other recognised unregulated market place or any regulated market or if trading in the Company's shares on the aforementioned stock exchanges is suspended for a period of 15 consecutive Business Days, or that once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other regulated market, that the Bonds are no longer listed thereon, or (iii) the Bonds have not been admitted to trading within 4 calendar months after the First Issue Date for the Bonds. There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Company, e.g., by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

Distributions

Under the Terms and Conditions, the Group is subject to restrictions regarding distributions, as certain financial covenants are met. However, if the conditions are met and such distributions are made, the assets of the Group will decrease, which could have an adverse effect on the position of the bondholders and the bondholders' recovery under the Bonds.

No action against the Company and bondholders' representation

In accordance with the Terms and Conditions, the bondholders' agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security and/or guarantee and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that a bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the bondholders' agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

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

Bondholders' Meetings

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

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Company has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Bonds. It is each potential investor's obligation to ensure, at own cost and expense, that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

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

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

Amended or new legislation

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

Conflict of interests

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

Responsible for the information in the Prospectus

The Company issued the Bonds on 26 February 2018. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

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

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

Malmö on 22 March 2018

FASTIGHETS AKTIEBOLAGET TRIANON (PUBL)

The board of directors

The Bonds in brief

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 (see below section “Overview of financial reporting and documents incorporated by reference”) and the full Terms and Conditions for the Bonds, which can be found in section “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

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

Summary of the Bonds

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each Holder has a claim against the Company. The Company’s board of directors resolved to issue the Bonds on 15 February 2018. The Net Proceeds from the Bond Issue shall be used towards general corporate purposes, including, for the avoidance of doubt, property acquisitions and refinancing of existing debt. The First Issue Date for the Initial Bonds was 26 February 2018 and the Bonds will mature on 26 February 2021.

The aggregate nominal amount of the Bonds is SEK 500,000,000 represented by Bonds denominated in SEK with ISIN SE0010833491, each with a Nominal Amount of SEK 1,000,000. The Initial Bonds were issued at a price equal to 100 per cent. of the Nominal Amount. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount. As of the date of this Prospectus, the amount of SEK 350,000,000 has been issued.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Holders on a securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book-entry system.

The Bonds constitute direct, general unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Company and without any preference among them.

The Company shall redeem all outstanding Bonds at 100 per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Redemption Date, unless previously redeemed or repurchased in accordance with Clause 10 “*Redemption and repurchase of the Bonds*” or terminated in accordance with Clause 13 “*Termination of the Bonds*” of the Terms and Conditions.

The Company may choose to redeem all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid interest (see further Clause 10.3 “*Early voluntary redemption by the Issuer (call option)*” of the Terms and Conditions).

Upon a Change of Control Event, a De-listing Event or Listing Failure Event occurring, each Holder has a right of pre-payment (put option) of its Bonds at a price of 101 per cent. of the Nominal Amount together with accrued but unpaid interest (see further Clause 10.4 “*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure Event (put option)*” of the Terms and Conditions).

Payment of the Nominal Amount and/or interest will be made to the person who is a Holder on the Record Date prior to the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date, unless the limitation period is duly interrupted.

The Initial Bonds bear interest from, but excluding, the First Issue Date up to, and including, the Relevant Redemption Date and any Subsequent Bonds bear interest from, but excluding, the Interest Payment Date falling immediately prior to their issuance and up to, and including, the Relevant Redemption Date. The Bonds bear interest at a floating rate of STIBOR (3 months) + 450 basis points *per annum*. Interest shall never be calculated as being an amount less than zero. Interest is paid quarterly in arrears on each Interest Payment Date and is calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Payment Dates are 26 February, 26 May, 26 August and 26 November each year (with the first Interest Payment Date on 26 May 2018 and the last Interest Payment Date being the Final Redemption Date (or any final redemption date prior thereto)). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

Nordic Trustee & Agency AB (publ), registration number 556882-1879, P.O. Box 7329, SE-103 90, Stockholm, Sweden is acting as Agent for the Holders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorisation from the Holders and without having to obtain any Holder’s consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Holders in every matter concerning the Bonds and the Terms and Conditions. The Agent is authorised to act on behalf of the Holders) in any legal or arbitration proceedings relating to the Bonds held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Company. Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent’s satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

An agreement was entered into between the Agent and the Company on or about the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent. The rights, obligations and the representation of the Agent are set forth in the Terms and Conditions which are available at the Company’s web page, www.trianon.se.

Each of the Company, the Agent and Holders representing at least ten per cent. of the Adjusted Nominal Amount, may request that a Holders’ Meeting is convened (see further Clause 15 “*Decisions by holders*” and Clause 16 “*Holders’ Meeting*” of the Terms and Conditions) or request a Written Procedure (see further Clause 17 “*Written Procedure*” of the Terms and Conditions). Such

Holders' Meeting or Written Procedure may, upon votes representing a relevant majority of Holders eligible for voting, cause resolutions to be validly passed and binding on all Holders.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall *firstly* be applied towards payment *pro rata* of all costs and expenses incurred by and any remuneration payable to the Agent under the Terms and Conditions and the Agent Agreement, other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Holders' rights, any non-reimbursed costs incurred by the Agent for external experts, any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure, *secondly* in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds, *thirdly* in or towards payment *pro rata* of any unpaid principal under the Bonds and *fourthly* in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Terms and Conditions. Any excess funds shall be transferred to the Company.

The Bonds are freely transferable and trading can occur from their date of issuance. Holders may, however, be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Holder may be subject (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) for business). Each Holder must ensure compliance with local laws and regulations applicable at their own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Company intends to apply for listing of the Initial Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Initial Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 350 (however, Subsequent Bonds may be admitted to trading as a result of any Subsequent Bond Issue, as described below). Admission of the Initial Bonds to trading on Nasdaq Stockholm is expected to occur shortly after Nasdaq Stockholm's approval of the abovementioned application for listing. The fact that an application regarding listing of the Initial Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Initial Bonds are estimated to amount to SEK 200,000.

The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under the Terms and Conditions. For the avoidance of doubt, such Subsequent Bonds may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority.

The Terms and Conditions include certain undertakings for the Company to ensure that the Bonds are listed on Nasdaq Stockholm or another regulated market. According to Clause 12.2 "*Listing of Initial Bonds*" of the Terms and Conditions, the Company shall ensure that the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm within twelve 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 months after the First Issue Date. Failure to list the Initial Bonds within twelve months after the First Issue Date will result in an Event of Default, which could lead to an acceleration of the Bonds, resulting in the Issuer having to repay the Holders at the applicable Call Option Price together with accrued but unpaid Interest. Further, as described above, each Holder has a right of

pre-payment (put option) of its Bonds at a price of 101 per cent. of the Nominal Amount together with accrued but unpaid interest if the Initial Bonds have not been admitted to trading within four calendar months from the First Issue Date.

The Company and its operations

Introduction

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

Share capital, shares, ownership structure and governance

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

Since 21 June 2017, the Company's ordinary shares of series B are traded on Nasdaq First North Premier, with trading symbol TRIAN B and ISIN SE0009921471. The Company is the parent company in the Group and the Group's business is conducted in the Company and its 39 subsidiaries and 6 associated companies, outlined in the tables below. It follows that the Company is dependent upon dividends from such subsidiaries and associated companies.

Directly owned subsidiaries	Share	Reg. no
Trianon Cineasten AB	100 per cent.	556050-4721
Trianon Vårsången AB	100 per cent.	556645-6819
Trianon Vårsången 2 AB	100 per cent.	556984-5646
Vårsången Invest AB	100 per cent.	559023-3788
Lärjungen Lägenheter 11 AB	100 per cent.	556875-5226
Trianon Fjällrutan AB	100 per cent.	556758-4171
Trianon Invest AB	100 per cent.	556258-6239
Trianon Resursen AB	100 per cent.	556082-2610
Trianon Storgatan AB	100 per cent.	556749-3738
Trianon Lerstorken AB	100 per cent.	556734-9831
Trianon Antilopen AB	100 per cent.	556910-8987
Trianon Slussen AB	100 per cent.	556939-3910
Fastighets AB Örestrand	100 per cent.	556935-8038
Trianon Hermodsdal 4 AB	100 per cent.	556894-9589
Trianon Hermodsdal 5 AB	100 per cent.	556894-9571
Trianon Stacken AB	100 per cent.	556894-9563
Trianon Gåsen AB	100 per cent.	556997-3257

Trianon Hämplingen AB	100 per cent.	556997-3240
Trianon Kil AB	100 per cent.	556997-5096
Trianon Torna AB	100 per cent.	556997-2382
Trianon Notarien AB	100 per cent.	556997-3190
Trianon Omsorg AB	100 per cent.	556790-5814
Trianon Lerteglet 2 AB	100 per cent.	556935-0407
Fastighets AB Sockerbetan Holding AB	100 per cent.	556878-0562
Trianon Gunghästen AB	100 per cent.	556953-6344
Trianon Rosengård Centrum AB	100 per cent.	556730-3168
Trianon Concordia AB	100 per cent.	559066-5534
Trianon No 1 Holding AB	100 per cent.	556731-6046
Trianon Sege Park AB	100 per cent.	559058-8348
Trianon Rolf AB	100 per cent.	559106-8795
Trianon Lerteglet 1 AB	100 per cent.	559015-0008
Trianon Murteglet 1	100 per cent.	559008-9842
Trianon Mozart I AB	100 per cent.	559133-5087
Trianon Mozart II AB	100 per cent.	559133-5079

Indirectly owned subsidiaries	Share	Reg. no.
Trianon Vakteln AB	100 per cent.	556873-0104
Trianon Domicilium AB	100 per cent.	556714-6286
Malmö Häggen AB	67.5 per cent.	556670-4879
Malmö Mozart Fastighets AB	58 per cent.	559133-5186
Willhem Malmö 2 AB (name being changed to Malmö Mozart 2 AB)	58 per cent.	556622-0801

Associated companies	Share	Reg. no.
Skattmäsen po Limhamn AB	50 per cent.	556696-8763
Skattmäsen po Limhamn KB	49.5 per cent.	969716-8814
Söderfrö Fastighets AB	50 per cent.	556653-9960
Luggudde Fastighets AB	45 per cent.	556904-1725
Svedala Livsmedel AB	25.5 per cent.	556977-2568
Five Tre Fastighets AB	50 per cent.	556680-8480

The largest shareholders of the Company are: Olof Andersson Förvaltnings AB⁵ with 30.65 per cent. of the share capital and 35.45 per cent. of the votes; Briban Invest AB⁶ with 30.62 per cent. of the share capital and 35.43 per cent. of the votes; Grenspecialisten Förvaltning AB with 6.06 per cent. of the share capital and 4.34 per cent. of the votes; Mats Cederholm⁷ with 3.91 per cent. of the share capital and 4.21 per cent. of the votes; Länsförsäkringar Fastighetsfond with 3.75 per cent. of the share capital and 2.68 per cent. of the votes; and LMK Stiftelsen AB, directly and through endowment insurance (Sw. *kapitalförsäkring*), with 3.64 per cent. of the share capital and 2.60 per cent. of the votes.

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. The Swedish Code of Corporate Governance (Sw. *svensk kod för bolagsstyrning*) (the “Code”) is not applicable to companies with shares listed on Nasdaq First North Premier and the Group is, therefore, not obliged to comply with the Code. However, it is the Group’s ambition to comply with the Code in relevant parts. In the opinion of the Company, the only deviation to the Code that the Company has made is that two deputy members have been appointed to the board of directors of the Company (Ebba Leijonhufvud and Sofie Karlsryd, daughters of Jan Barchan (Briban Invest AB) and Olof Andersson (Olof Andersson Förvaltnings AB)). The reason for the deviation is that the main shareholders believe that this is an effective way of preparing the succession in the Company’s board of directors as well as a way to ensure long-term continuity in the board work. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the CEO adopted by the Company.

Business and operations

The Company is an entrepreneurial real estate company owning, managing, developing and building residential and commercial properties in Malmö. The object of the Company’s business, as set out in its articles of association, is to build, acquire, manage and sell 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.

As of 31 December 2017, the Group’s property portfolio consisted of 46 properties situated in Malmö city centre, Limhamn/Slottsstaden, Lindängen/Hermodsdal, Rosengård and Oxie.⁸ In some residential areas the Company is heavily engaged in sustainability projects, on basis of social, economic and environmental perspectives. Other areas consist of historic buildings in attractive neighbourhoods in Malmö city centre. With respect to such properties the Company focuses on property development through creation of modern office environments while maintaining the cultural values. As of 31 December 2017, the Company housed a lettable area of 222,890 square meters (excluding garage facilities and properties owned by associated companies) and the total property value amounted to MSEK 4,693.⁹

⁵ Olof Andersson Förvaltnings AB is wholly owned by Olof Andersson, who is also a board member and CEO of the Company.

⁶ Briban Invest AB is wholly owned by Jan Barchan, who is also a member of the Company’s board of directors.

⁷ Mats Cederholm holds shares in the Company both directly and through his company Cedelma AB. Mats Cederholm is the chairman of the Company’s board of directors.

⁸ The Company’s year-end report 2017, p. 10, not reviewed by auditors.

⁹ The Company’s year-end report 2017, p. 10, not reviewed by auditors.

Litigation

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

The Company is claimant in a legal dispute, currently administered by the District Court of Malmö, against a commercial tenant. The Company forecasts a ruling in its favour. However, should there be a negative outcome of the dispute for the Company, it will not have a significant effect on the Company's and/or the Group's earnings.

Material agreements

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

Credit rating

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

Significant adverse changes and recent events

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and, other than the issuance of the Bonds on 26 February 2018 and as set forth below, no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

- The Company entered into an agreement with Coop regarding lease of circa 3,000 square meters on the property Håggen 13, at Värnhemstorget. The lease period was set to twelve years and the property will be reconstructed to house Coop's new supermarket as well as other businesses.
- The Company entered into an agreement with Noodle Company™ regarding lease of 370 square meters in the Entré shopping center. Noodle Company™ is expected to open a restaurant in the premises during spring 2018.
- The Company announced its intention to acquire properties in Lindängen, together with Victoria Park, in February 2018. The transaction was completed and the Company obtained access on 1 March 2018. The total property value of the transaction amounted to MSEK 795. The Company plans to use proceeds from the Bond Issue to refinance the loans incurred by the Company to acquire the Lindängen properties.
- In February, the Company entered into an agreement with Extremezone AB regarding lease of 4,000 square meters in the Entré shopping center. The lease period was set to ten years and Extremezone AB is expected to open a sport and action center in the premises after summer 2018.
- The Company entered into two new lease agreements regarding premises in Rosengård Centrum. The Swedish Tax Authority (Sw. *Skatteverket*) is expected to open a service center in a facility of 400 square meters during spring 2018 and the lease period was set to three years. BarnmorskeStationen is expected to open a maternity health clinic in a facility of 300 square meters during spring 2018 and the lease period was set to six years.

Except for the issuance of the Bonds on 26 February 2018 and as set forth above, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of the Company's solvency.

Shareholders' agreements

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

Board of directors, senior management and auditors

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

Board of directors

Mats Cederholm

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

Olof Andersson

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

Jan Barchan

Born 1946 and of Swedish nationality. Member of the Company's board of directors since 2010. Current assignments outside the Group include Briban Invest Aktiebolag (member of the board and CEO), Adimo Aktiebolag (chairman of the board), Studsvik AB (member of the board), Net Insight AB (member of the board), Trialbee AB (member of the board), Anbace Invest AB (member of the board) and AB Archan (deputy member of the board).

Viktoria Bergman

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

Boris Lennerhov

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

Elin Thott

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

Senior management*Olof Andersson*

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

Mari-Louise Hedbys

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

Auditors

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

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

Conflicts of interests

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

Financial interests

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

Overview of financial reporting and documents incorporated by reference

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

The financial information for the financial year ending 31 December 2015 and 31 December 2016 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 (IFRS IC) as adopted by the European Union. Furthermore, the Group applies the Swedish Financial Reporting Board's recommendation RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*), specifying the amendments of the IFRS information required by the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen*). In addition, the Company applies the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for Legal Entities (Sw. *Redovisning för juridiska personer*).

The Company's consolidated annual reports for the financial years that ended 31 December 2015 and 31 December 2016, have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's report has been incorporated in this Prospectus through the consolidated annual reports for the financial years ended 31 December 2015 and 31 December 2016 by reference.

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

Reference	Document	Page
Financial information regarding the Group and its business for the financial year ended 31 December 2015.	Fastighets Aktiebolaget Trianon (publ)'s consolidated annual report for the financial year ended 31 December 2015.	- 26 (Consolidated income statements), - 27–28 (Consolidated balance Sheets), - 28 (Consolidated changes in equity), - 29 (Consolidated cash flow Statements), - 30 (Parent income statements), - 31–32 (Parent balance sheets), - 33 (Parent changes in equity), - 33 (Parent cash Flow statements), - and - 34–48 (Notes).
Auditor's report for the financial year ended 31 December 2015.	Fastighets Aktiebolaget Trianon (publ)'s consolidated annual report for the financial year ended 31 December 2015.	- 50 (Audit Report).
Financial information regarding the Group and its business for the	Fastighets Aktiebolaget Trianon (publ)'s consolidated annual report	- 32 (Consolidated income Statements), - 33 (Consolidated balance sheets),

financial year ended 31 December 2016.	for the financial year ended 31 December 2016	- 34 (Consolidated changes in equity) - 34 (Consolidated cash flow Statements), - 35 (Parent income statements), - 36–37 (Parent balance sheets), - 38 (Parent changes in equity), - 38 (Parent cash Flow statements), - and - 39–53 (Notes).
Auditor’s report for the financial year ended 31 December 2016.	Fastighets Aktiebolaget Trianon (publ)’s consolidated annual report for the financial year ended 31 December 2016.	- 54–55 (Audit Report).

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

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

Documents available for inspection

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

- The articles of association of the Company
- All documents which by reference are a part of this Prospectus.
- Where such reports have been prepared, the Company's subsidiaries' audited annual reports for the financial years 2015 and 2016.

Terms and Conditions for the Bonds

**TERMS AND CONDITIONS FOR
FASTIGHETS AKTIEBOLAGET TRIANON (PUBL)
MAXIMUM SEK 500,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
BONDS 2018/2021
ISIN: SE0010833491**

1 DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its 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 Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, 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 Financial Report of the Group, adjusted for:

- (a) depreciations;
- (b) impairments;
- (c) expenses for property sales;
- (d) Total Net Interest Expenses;
- (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 Relevant Period.

“**Affiliate**” means 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.

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

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

“**Bond**” means a debt instrument (Sw. *skuldförbindelse*), for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

“**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 Price**” means:

- (a) one hundred and two point twenty-five (102.25) per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the date falling thirty three (33) months after the First Issue Date;
- (b) one hundred and one point one hundred and twenty-five (101.125) per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty three (33) months after the First Issue Date up to (but excluding) the Final Redemption Date; or
- (c) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty three (33) months after the First Issue 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).

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

“**Change of Control Event**” means 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 (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer, or (ii) 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, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and:

- (a) if provided in connection with a Financial Report being made available, that the Maintenance Test is met as per the last day of the quarter to which the Compliance Certificate refers to, including calculations and figures in respect of the Maintenance Test; or
- (b) if provided in connection with the issuance of a Subsequent Bond Issue or a Market Loan or a Restricted Payment being made, which requires that the Incurrence Test is met, that the Incurrence Test is met as per the Incurrence Test Date, including calculations and figures in respect of the Incurrence Test, calculated *pro forma* including the relevant Financial Indebtedness or Restricted Payment (as applicable).

“**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.

“**De-listing Event**” means a situation where (i) the Issuer’s ordinary shares are no longer listed and admitted to trading on First North Stockholm, any other recognised unregulated market place or any Regulated Market, (ii) 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 (iii) once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market that the Bonds are no longer 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).

“**Event of Default**” means an event or circumstance specified in Clause 13.1.

“**Final Redemption Date**” means 26 February 2021.

“**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), and

for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases (the “**Operational Lease Freeze**”);

- (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 the above items (a)–(f).

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to Clause 12.12 (i) and (ii).

“**First Call Date**” means the date falling twenty-four (24) 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 26 February 2018.

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

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

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

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 16 (*Holders’ Meeting*).

“**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**” means the ratios specified in Clause 11 (*Incurrence Test*).

“**Incurrence Test Date**” has the meaning set forth in Clause 11.2.

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

“**Initial Bond Issue**” has the meaning set forth in Clause 2.1.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 9.1 to 9.3.

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

“**Interest Payment Date**” means 26 February, 26 May, 26 August and 26 November 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 26 May 2018 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 a floating rate of STIBOR (3 months) + 450 basis points *per annum*.

“**Issuer**” means Fastighets Aktiefbolaget Trianon (publ), reg. no. 556183-0281, P.O. Box 12, 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 Event**” means a situation where the Initial Bonds have not been admitted to trading within four (4) calendar months from the First Issue Date (although the Issuer will use its best efforts to list the Initial Bonds within thirty (30) days from the First Issue Date as well as any Subsequent Bonds within thirty (30) days from such relevant issue date).

“**Maintenance Test**” means the ratios specified in Clause 12.4 (*Maintenance Test*).

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

“**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 these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

“**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 Report or per the Incurrence Test Date (as applicable), in accordance with the Accounting Principles, adjusted in accordance with the Operational Lease Freeze.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue which, after deduction has been made for any Transaction Costs payable by the Issuer to the Issuing Agent and bookrunner(s) for the services provided in relation to the placement and issuance of the Bonds, shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

“**Nominal Amount**” has the meaning set forth in Clause 2.1.

“**Operational Lease Freeze**” has the meaning set forth in item (b) of the definition “Financial Indebtedness” above.

“**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 Report or per the Incurrence Test Date (as applicable).

“**Quotation Day**” means, in relation to (i) 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 (ii) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period (*i.e.*, the day that period commences, even if no Interest accrues on such day).

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 14 (*Distribution of proceeds*) or (iv) 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 in accordance with Clause 10 (*Redemption and repurchase of the Bonds*).

“**Regulated Market**” means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Restricted Payment**” has the meaning set forth in Clause 12.1 (*Distributions*).

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

“**SEK**” means the lawful currency of Sweden.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in item (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to item (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK one hundred million (100,000,000) for the relevant period; or
- (d) if no quotation is available pursuant to item (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period; and

if any such rate is below zero (0), STIBOR will be deemed to be zero (0).

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

“**Subsequent Bond Issue**” has the meaning set forth in Clause 2.4.

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by

the owners, (ii) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

“**Total Net Interest Expenses**” means, for the Relevant 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 Report (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 investments 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 listing of Bonds (including Subsequent Bonds) on the corporate bond list of Nasdaq Stockholm or any other Regulated Market.

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 17 (*Written Procedure*).

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “assets” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “regulation” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 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, an 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). 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 Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2 THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

- 2.1 The aggregate amount of the bond loan will be an amount of up to SEK 500,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 350,000,000 (“**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 2.2 The ISIN for the Bonds is SE0010833491.
- 2.3 The minimum permissible investment in the Initial Bond Issue and any Subsequent Bond Issue is SEK 1,000,000, and integral multiples thereof.
- 2.4 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 500,000,000, always provided that the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue) and that the Issuer provides the Agent with a Compliance Certificate. Any Subsequent Bonds shall be issued subject to the same Terms and Conditions as the Initial Bonds. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.
- 2.5 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.6 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.7 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

3 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 and without any preference among them.

4 USE OF PROCEEDS

The Net Proceeds shall be used towards general corporate purposes, including, for the avoidance of doubt, property acquisitions and refinancing of existing debt.

5 THE BONDS AND TRANSFERABILITY

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

- 5.2 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.
- 5.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 5.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 5.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

6 BONDS IN BOOK-ENTRY FORM

- 6.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 6.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 6.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 6.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 6.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.

- 6.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 6.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

7 RIGHT TO ACT ON BEHALF OF A HOLDER

- 7.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 7.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 7.1 and 7.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

8 PAYMENTS IN RESPECT OF THE BONDS

- 8.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such

payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

- 8.5 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.

9 INTEREST

- 9.1 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, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- 9.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 9.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

10 REDEMPTION AND REPURCHASE OF THE BONDS

10.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

10.2 The Group Companies' purchase of Bonds

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The 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 full redemption of the Bonds.

10.3 Early voluntary redemption by the Issuer (call option)

- 10.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.
- 10.3.2 Redemption in accordance with Clause 10.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

- 10.4.1 Upon a Change of Control Event, a De-listing Event or a Listing Failure Event occurring, 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 one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 12.12(v). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, De-listing Event or Listing Failure Event.
- 10.4.2 The notice from the Issuer pursuant to Clause 12.12(v) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder 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 Clause 12.12(v). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4.1.
- 10.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.
- 10.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 may at the Issuer's discretion be disposed of in accordance with Clause 10.2 (*The Group Companies' purchase of Bonds*).
- 10.4.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 10.4, if a third party in connection with the occurrence of a Change of Control Event, De-listing Event or Listing Failure Event, as applicable, offers to purchase the Bonds in the manner and on the terms set out in this Clause 10.4 (or on terms more favourable to the Holders) 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 10.4, the Issuer

shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

11 INCURRENCE TEST

11.1 The Incurrence Test is met if:

- (a) the Net Interest Bearing Debt does not exceed 65.00% of the Property Value, and
- (b) the Interest Coverage Ratio exceeds 1.75.

11.2 The Incurrence Test shall be applied in connection with the issuance of a Subsequent Bond Issue or a Market Loan or a Restricted Payment being made, which requires that the Incurrence Test is met, until and including the Final Redemption Date. The Incurrence Test shall be tested on the date on which such Financial Indebtedness is incurred or such Restricted Payment is made (the “**Incurrence Test Date**”).

11.3 The calculation of the Interest Coverage Ratio shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Report. The figures for Adjusted Profits Before Taxes, Total Net Interest Expenses and Property Value, for purposes of the Incurrence Test, to be adjusted so that (as applicable):

- (a) any Bond that has been repurchased, and not resold, by any Group Company during the Relevant Period and up until and including the Incurrence Test Date shall be excluded, *pro forma*, for the entire Relevant Period;
- (b) entities, assets or operations acquired, disposed of or discontinued by the Group during the Relevant Period and up until and including the Incurrence Test Date shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period;
- (c) any entity, asset or operation to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period and any property to be acquired shall be included *pro forma* as of the Incurrence Test Date; and
- (d) all Financial Indebtedness incurred under the Initial Bond Issue and any previous Subsequent Bond Issues shall be included *pro forma* for the entire Relevant Period.

11.4 The Net Interest Bearing Debt shall include the Restricted Payment or the new Financial Indebtedness (as applicable), provided such Financial Indebtedness is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

12 SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 12.

12.1 Distributions

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

- (A) any Group Company if such Restricted Payment is made to a Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or
- (B) the Issuer, provided that (i) the Incurrence Test (calculated *pro forma* including the relevant Restricted Payment) is met and (ii) 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 item (A) above) 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).

12.2 Listing of Initial Bonds

The Issuer shall ensure that the Initial Bonds are listed on the corporate 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).

12.3 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.

12.4 Maintenance Test

12.4.1 The Issuer shall ensure that the Maintenance Test is met as long as any Bond is outstanding. The Maintenance Test is met if, at any time:

- (a) the Net Interest Bearing Debt does not exceed seventy (70.00) per cent. of the Property Value; and
- (b) the Interest Coverage Ratio exceeds one point fifty (1.50).

12.4.2 The Maintenance Test shall be tested quarterly, on 31 March, 30 June, 30 September and 31 December each year, as long as any Bond is outstanding, on the basis of the interim consolidated Financial Report for the period covered by the relevant reference date on the

basis of the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 31 March 2018.

12.5 Market Loans

Issuer shall procure that (i) no Group Company other than the Issuer issues any Market Loan, (ii) any Market Loan issued by the Issuer meets the Incurrence Test (calculated *pro forma* including the relevant Market Loan) and (iii) 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.

12.6 Disposals of assets, mergers and demergers

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

- (i) 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
- (ii) 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. The Issuer shall provide the Agent with information relating to such transaction in accordance with Clause 12.12.2.

12.7 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.

12.8 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.

12.9 Property valuations

The Issuer shall, during each calendar year procure that external valuation report(s) regarding the fair value of at least ninety-five (95.00) per cent. of the properties (land and buildings) held by the Group is prepared by Forum Fastighetsekonomi AB, Malmöbryggan Fastighetsekonomi AB or Croisette AB or another reputable independent property advisor. The Issuer shall further procure that the results of such valuation report(s), or (if available) any subsequent comparable valuation report(s) replacing such

valuation report(s), are reflected in good faith and in accordance with the Group's valuation policy in the following Financial Report(s).

12.10 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.

12.11 Compliance with laws etcetera

The Issuer shall, and shall procure that the Subsidiaries,

- (i) 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, First North Stockholm or any other Regulated Market or recognised unregulated market place on which the Issuer's securities from time to time are listed, and
- (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

12.12 Financial reporting etcetera

12.12.1 The Issuer shall:

- (i) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (ii) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
- (iii) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with the issuance of a Subsequent Bond Issue or a Market Loan or a Restricted Payment being made, which requires that the Incurrence Test is met, and (iii) at the Agent's reasonable request, within twenty (20) calendar days from such request;
- (iv) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;
- (v) promptly notify the Agent (and, as regards a Change of Control Event, a De-listing Event or a Listing Failure Event, the Holders) upon becoming aware of

the occurrence of a Change of Control Event, a De-listing Event, a Listing Failure Event or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice (including, for the avoidance of doubt, calculations, figures and supporting documents in respect of the Maintenance Test); and

- (vi) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm, First North Stockholm or any other Regulated Market or recognised unregulated market place 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).

12.12.2 The Issuer shall, upon request by the Agent, provide the Agent with (i) any information relating to a transaction referred to in Clause 12.6 (*Disposals of assets, merger and demergers*) which the Agent deems necessary (acting reasonably) and, if relevant, (ii) 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. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

12.13 Agent Agreement

12.13.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

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

12.14 CSD related undertakings

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulations applicable to the Issuer from time to time.

13 TERMINATION OF THE BONDS

13.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount

(such demand may only be validly made by a person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 13.6 or 13.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, 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), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under item (a) above, unless the non-compliance is (i) capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross- acceleration:**
 - (i) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
 - (ii) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced,
- (a) provided however that the amount of Financial Indebtedness referred to under item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 25,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (d) **Insolvency:**
 - (i) 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 (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Group Company;

provided however that the assets of the Group Company referred to under item (i) and/or (ii) above, individually or in the aggregate have a value equal to or

exceeding SEK 25,000,000, calculated in accordance with the latest Financial Report (as applicable).

- (e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:
- (i) the suspension of payments, winding-up, dissolution, administration or company 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;

provided however that the assets of the Group Company referred to under item (i), (ii) and/or (iii) above, individually or in the aggregate have a value equal to or exceeding SEK 25,000,000, calculated in accordance with the latest Financial Report (as applicable).

- (f) **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.

- (g) **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 and is not discharged within sixty (60) calendar days;
- (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or
- (i) **Continuation of the business:** A Group Company ceases to carry on its business, except if due to (i) a solvent liquidation of a Group Company other than the Issuer or (ii) a permitted disposal, merger or demerger as stipulated Clause 13.1 (f) (*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.

13.2 The Agent may not terminate the Bonds in accordance with Clause 13.1 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 ground mentioned under Clause 13.1 (d) (*Insolvency*).
- 13.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 13.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 13.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 13.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 13.1 and provide the Agent with all documents that may be of significance for the application of this Clause 13.
- 13.5 The Issuer is only obliged to inform the Agent according to Clause 13.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm, First North Stockholm or any other Regulated Market or recognised unregulated market place on which the Issuer's securities from time to time are listed. If such a conflict would exist pursuant to such listing contract or otherwise, the Issuer shall however be obliged to either seek the approval from the relevant marketplace 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 Clause 13.4.
- 13.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 13.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 15 (*Decisions by Holders*). If the Holders 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 Holders 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.
- 13.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 15 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated.
- 13.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 13, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.

- 13.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 13 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 15 (*Decisions by Holders*).
- 13.10 If the Bonds are declared due and payable in accordance with this Clause 13, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Price for the relevant period (plus accrued but unpaid Interest) or, if the Bonds are accelerated before the First Call Date, at the price set out in item (a) of the Call Option Price (plus accrued but unpaid Interest).

14 DISTRIBUTION OF PROCEEDS

- 14.1 If the Bonds have been declared due and payable in accordance with Clause 13 (*Termination of the Bonds*), 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) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the termination of the Bonds or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' 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 these Terms and Conditions.

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

- 14.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1.
- 14.3 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 interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.

- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) 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 8.1 shall apply.

15 DECISIONS BY HOLDERS

- 15.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.

- 15.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

- 15.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

- 15.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,

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

- 15.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:

- (a) waive a breach of or amend an undertaking set out in Clause 12 (*Special undertakings*);
- (b) a mandatory exchange of Bonds for other securities;

- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
 - (e) amend the provisions in this Clause 15.5 or Clause 15.6.
- 15.6 Any matter not covered by Clause 15.5 shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 18.1 (a), (b) or (c)) or a termination of the Bonds.
- 15.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20.00) per cent. of the Adjusted Nominal Amount:
 - (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 15.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 15.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 15.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions and the Agent Agreement shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 15.10 A Holder 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.
- 15.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not

adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.

- 15.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such 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.
- 15.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

16 HOLDERS' MEETING

- 16.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 16.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 19.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 16.1.
- 16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 16.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 16.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been

appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.

- 16.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 16.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

17 WRITTEN PROCEDURE

- 17.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Holder with a copy to the Agent.
- 17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 17.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 17.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 17.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15.5 and 15.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18 AMENDMENTS AND WAIVERS

- 18.1 The Issuer and the Agent (acting on behalf of the Holders) may agree in writing to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:
- (a) The Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
 - (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
 - (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 15 (*Decisions by Holders*).
- 18.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.
- 18.3 The Agent shall promptly notify the Holders 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, and 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.
- 18.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

19 APPOINTMENT AND REPLACEMENT OF THE Agent

19.1 Appointment of Agent

- 19.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder, including the winding-up, dissolution, liquidation, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance

satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions and the Agent Agreement.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement, and the Agent's obligations as agent under these Terms and Conditions and the Agent Agreement are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

- 19.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 19.2.2 The Agent may assume that the documentation, information 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. The Agent does not review the documents and evidence referred to above from a legal or commercial perspective of the Holders.
- 19.2.3 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 19.2.4 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.5 The Agent is always entitled to delegate its duties to other professional parties without having to first obtain any consent from the Issuer or the Holders, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.
- 19.2.6 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any

- other Person, other than as explicitly stated in these Terms and Conditions and the Agent Agreement.
- 19.2.7 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 19.2.8 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. 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 these Terms and Conditions shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 19.2.9 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 19.2.10 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of these Terms and Conditions, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- 19.2.11 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.12 The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Holders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Holders or any other person.
- 19.2.13 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.14 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee

or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 19.2.12.

19.3 Limited liability for the Agent

- 19.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 15 (*Decisions by Holders*) or a demand by Holders given pursuant to Clause 13.1.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.
- 19.3.6 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is insolvent 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.
- 19.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

- 19.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions and the Agent Agreement.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agent Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20 APPOINTMENT AND REPLACEMENT OF THE Issuing Agent

- 20.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 20.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent or becomes subject to bankruptcy proceedings, 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.

21 APPOINTMENT AND REPLACEMENT OF THE CSD

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.

- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

22 NO DIRECT ACTIONS BY HOLDERS

- 22.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement or by any reason described in Clause 19.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.14 before a Holder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Holders.

23 TIME-BAR

- 23.1 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 Holders' right to receive payment has been time-barred and has become void.
- 23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar 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.

24 NOTICES AND PRESS RELEASES

24.1 Notices

24.1.1 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, and if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, to such address as notified by the Issuer to the Agent from time to time, and if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
- (c) if to the Holders, shall be given at their addresses as registered with the CSD (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 the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

24.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 24.1.1.

24.1.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

24.2 Press releases

24.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 10.3, 10.4, 12.12(v), 13.6, 14.4, 15.15, 16.1, 17.1, 18.3, 19.2.14 and 19.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

24.2.2 In addition to Clause 24.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Holders 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 Holders 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 Holders, the Agent shall be entitled to issue such press release.

25 FORCE MAJEURE AND LIMITATION OF LIABILITY

- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 25.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 25.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.4 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

26 LISTING

The Issuer intends to list the Initial Bonds within thirty (30) calendar days from the First Issue Date (as well as any Subsequent Bonds within (30) calendar days from the relevant issue date), and has undertaken to list the Initial Bonds within twelve (12) months after the First Issue Date, on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 12.2 (*Listing of the Initial Bonds*). Further, if the Initial Bonds have not been admitted to trading within four (4) calendar months from the First Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure Event (put option)*).

27 GOVERNING LAW AND JURISDICTION

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