

## LISTING PARTICULARS DATED 26 FEBRUARY 2021

### FASTIGHETS AB BALDER

*(incorporated with limited liability under the laws of the Kingdom of Sweden)*

#### EUR 500,000,000 2.873 per cent. Subordinated Fixed to Reset Rate 5.25 year Non-Call Capital Securities due 2081

**Issue price: 99.998 per cent.**

Fastighets AB Balder (the "**Issuer**") or "**Balder**" is offering EUR 500,000,000 2.873 per cent. Subordinated Fixed to Reset Rate 5.25 year Non-Call Capital Securities due 2081 (the "**Capital Securities**"). The issue price of the Capital Securities is 99.998 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Capital Securities will be redeemed at their principal amount, together with accrued interest, on 2 June 2081 (the "**Maturity Date**"). The Capital Securities may also be redeemed at the option of the Issuer (in the case of a notice which is dated not less than 15 nor more than 30 days before the date specified as the date fixed for redemption), in whole but not in part: (i) on any date from and including 2 March 2026 (the "**First Optional Redemption Date**") up to and including 2 June 2026 (the "**First Reset Date**") or on any Interest Payment Date (as defined in the Terms and Conditions of the Capital Securities (the "**Conditions**")) thereafter at their principal amount together with any Deferred Interest (as defined in the Conditions) and any other accrued and unpaid interest up to (but excluding) the redemption date; (ii) on any date prior to the First Optional Redemption Date at the Make-whole Redemption Amount (as defined in the Conditions); (iii) upon the occurrence of a Tax Deductibility Event or Capital Event (each as defined in the Conditions), at 101 per cent. of their principal amount where such redemption occurs before the First Optional Redemption Date or 100 per cent. of their principal amount where such redemption occurs on or after the First Optional Redemption Date together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date or; (iv) if a Withholding Tax Event or a Substantial Repurchase Event (each as defined in the Conditions) has occurred, at any time at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date. In addition, the Issuer may, by the exercise of the relevant option, redeem all, but not some only, of the Capital Securities at a price equal to 100 per cent. of their principal amount, together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date, upon the occurrence of a Change of Control Event (as defined in the Conditions). See "*Terms and Conditions of the Capital Securities—Redemption and Purchase*".

Interest will accrue on the Capital Securities from 2 March 2021 (the "**Issue Date**") to, but excluding, the First Reset Date at the Initial Interest Rate (as defined in the Conditions), being 2.873 per cent. per annum, and thereafter, in respect of each Interest Period (as defined in the Conditions) commencing on or after the First Reset Date, unless previously redeemed, at the relevant Reset Interest Rate (each as defined in the Conditions). The Reset Interest Rate in respect of each Interest Period falling in a Reset Period (as defined in the Conditions) shall be the aggregate of the applicable Margin (as defined in the Conditions) and the 5 Year EUR Mid-Swap Rate (as defined in the Conditions) for such Reset Period, all as determined by the Calculation Agent.

Interest on the Capital Securities will (subject to deferral) be payable annually in arrear on 2 June each year commencing on 2 June 2021. There will be a short first coupon payable on the First Interest Payment Date (as defined in the Conditions).

Payments of interest on the Capital Securities may, at the option of the Issuer, be deferred, as set out in Condition 5(a) (*Deferral of Interest Payments*) of the Capital Securities. Deferred interest, which shall itself bear interest, may be paid at any time at the option of the Issuer (upon notice to the holders of the Capital Securities), and must be paid in the circumstances provided in Condition 5(b)(ii) (*Settlement of Deferred Interest*) of the Capital Securities.

If the Issuer does not elect to redeem the Capital Securities in accordance with Condition 6(f) (*Redemption for Change of Control Event*) following the occurrence of a Change of Control Event, the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) for such Capital Securities shall be increased by an additional 5 percentage points per

annum with effect from (and including) the day immediately following the Change of Control Step-Up Date, as set out in Condition 4(i) (*Step-up after first Change of Control Event*).

Payments will be made in euro without deduction for or on account of taxes imposed or levied by the Kingdom of Sweden to the extent described under "*Terms and Conditions of the Capital Securities—Taxation*".

The Capital Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Capital Securities are being offered and sold outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered and sold or delivered within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

These Listing Particulars have been approved by the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"). Application has been made to Euronext Dublin for the Capital Securities to be admitted to Euronext Dublin's official list (the "**Official List**") and to trading on its Global Exchange Market (the "**GEM**").

These Listing Particulars constitute a "Listing Particulars" for the purposes of the admission of the Capital Securities to the Official List and to trading on the GEM and do not comprise a "prospectus" for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

References in these Listing Particulars to the Capital Securities being listed (and all related references) shall mean that the Capital Securities have been admitted to the Official List and have been admitted to trading on the GEM. The GEM is the exchange regulated market of Euronext Dublin and is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "**EU MiFID II**").

**EU MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties and professional clients only, each as defined in EU MiFID II; and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II or; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation

(EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Issuer has a corporate rating of BBB (stable) from S&P Global Ratings Europe Limited ("**S&P**"). The Capital Securities are expected to be rated BB+ by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, on credit rating agencies (the "**EU CRA Regulation**"). As such, S&P appears on the latest update of the list of registered credit rating agencies (as of the date of this Listing Particulars) on the European Securities and Markets Authority ("**ESMA**") website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). The Issuer rating was issued by S&P in accordance with the EU CRA Regulation before the end of the transition period and has not been withdrawn. The security ratings issued by S&P will be endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK CRA Regulation**"). As such, the ratings may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation (in the case of the Issuer ratings, until 1 January 2022).

The Capital Securities will initially be represented by a temporary global capital security (the "**Temporary Global Capital Security**") without interest coupons, which will be deposited on or about the Issue Date with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Interests in the Temporary Global Capital Security will be exchangeable for interests in a permanent global capital security (the "**Permanent Global Capital Security**" and the Permanent Global Capital Security together with the Temporary Global Capital Security, the "**Global Capital Securities**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Capital Security will be exchangeable for definitive Capital Securities only in certain limited circumstances. See "*Summary of Provisions relating to the Capital Securities while represented by the Global Capital Securities*".

An investment in Capital Securities involves certain risks. Prospective investors should have regard to the factors described under the heading "*Risk Factors*" on page 7.

Structuring Advisor

**DEUTSCHE BANK**

Joint Bookrunners

**DANSKE BANK**

**DEUTSCHE BANK**

**SEB**

**NORDEA**

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in these Listing Particulars and declares that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to the Joint Bookrunners named under "Subscription and Sale" below (the "**Joint Bookrunners**") that these Listing Particulars contains all information regarding the Issuer and the Capital Securities which is (in the context of the issue of the Capital Securities) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in these Listing Particulars on the part of the Issuer are honestly held or made and are not misleading in any material respect; these Listing Particulars does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Capital Securities other than as contained in these Listing Particulars or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Joint Bookrunners.

Neither the Joint Bookrunners nor any of their respective affiliates have authorised the whole or any part of these Listing Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Listing Particulars. Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Capital Security shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of these Listing Particulars.

These Listing Particulars does not constitute an offer of, or an invitation to subscribe for or purchase, any Capital Securities and should not be considered as a recommendation by the Issuer, the Joint Bookrunners or any of them that any recipient of these Listing Particulars should subscribe for or purchase any Capital Securities.

The distribution of these Listing Particulars and the offering, sale and delivery of Capital Securities in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Capital Securities and on distribution of these Listing Particulars and other offering material relating to the Capital Securities, see "Subscription and Sale".

In particular, the Capital Securities have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Capital Securities may not be offered, sold or delivered within the United States or to U.S. persons.

In these Listing Particulars, unless otherwise specified, references to a Member State are references to a Member State of the European Economic Area, and references to "EUR" or "euro" are to the currency introduced at the start of the third stage of European economic and monetary union, pursuant to the Treaty establishing the European Community. References to "billions" are to thousands of millions.

Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of the Capital Securities, Deutsche Bank Aktiengesellschaft (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over allot Capital Securities or effect transactions with a view to supporting the market price of the Capital Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Capital Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Capital Securities and 60 days after the date of the allotment of the Capital

Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

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## RISK FACTORS

Before making an investment decision, prospective investors should carefully review the specific risk factors described below, in addition to the other information contained in these Listing Particulars. The Issuer believes that the following factors may affect the Issuer's ability to fulfil its obligations under the Capital Securities. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer's business, financial condition and results of operations could be materially affected by each of these risks presented. Also other risks and uncertainties not described herein could affect the Issuer's ability to fulfil its obligations under the Capital Securities. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently believes are immaterial, could impair the ability of the Issuer to fulfil its obligations under the Capital Securities. Certain other matters regarding the operations of the Issuer that should be considered before making an investment in the Capital Securities are set out in these Listing Particulars. The order of presentation of the risk factors in these Listing Particulars is not intended to be an indication of the probability of their occurrence or of their potential effect on the Issuer's ability to fulfil its obligations under the Capital Securities.

The capitalised words and expressions in this section shall have the meanings defined in "*Terms and Conditions of the Capital Securities*".

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE CAPITAL SECURITIES**

Prospective investors should have regard to the risk factors described under the sections headed:

- (a) "*Risk Factors – Factors that may affect the Issuers' and, as the case may be, the Guarantor's ability to fulfil its obligations under notes issued under the Programme – Risks relating to macroeconomic conditions*" on pages 15 to 16 of the Base Prospectus;
- (b) "*Risk Factors – Factors that may affect the Issuers' and, as the case may be, the Guarantor's ability to fulfil its obligations under notes issued under the Programme – Risks relating to Balder's Business Operations*" on pages 16 to 22 of the Base Prospectus; and
- (c) "*Risk Factors – Factors that may affect the Issuers' and, as the case may be, the Guarantor's ability to fulfil its obligations under notes issued under the Programme – Financial Risks*" on pages 23 to 24 of the Base Prospectus,

which are incorporated by reference into these Listing Particulars, with:

- (a) references to Notes in those sections being read to refer to the Capital Securities; and
- (b) references to the Guarantor, the Guarantee and Balder Finland Oyj to be read as not being applicable.

### **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE CAPITAL SECURITIES**

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Capital Security shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of these Listing Particulars.

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

Each potential investor in the Capital Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained in these Listing Particulars or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact the Capital Securities will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities;

(iv) understand thoroughly the terms of the Capital Securities; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***The claims of holders of the Capital Securities are structurally subordinated***

As is usual for property companies, Balder's operations are principally conducted through subsidiaries. Accordingly, Balder is, and will be, dependent on its subsidiaries' operations to service its payment obligations in respect of the Capital Securities. The Capital Securities are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of Balder's subsidiaries, and structurally and/or effectively subordinated to the extent of the value of collateral to all Balder's and its subsidiaries' secured creditors. The Capital Securities are not guaranteed by any of Balder's subsidiaries or any other company or person. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of the Issuer's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application generally will have the right to be paid in full before any distribution is made to Balder.

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

If the Issuer is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors of all Subordinated Indebtedness) in full before it can make any payments on the Capital Securities. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Capital Securities.

The Issuer's obligations under the Capital Securities will constitute direct, unsecured and subordinated obligations. In the event of an Issuer Winding-up, the rights of the Holders to receive payments in respect of the Capital Securities will rank pari passu without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities, in priority to all present or future claims in respect of (A) the share capital of the Issuer and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security, and junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness. In the event of an Issuer Re-construction, the rights of the Holders to receive payments in respect of the Capital Securities will rank pari passu without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities, but junior to any present or future claims in respect of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.

In the event of an Issuer Re-construction, unsecured debt could be subject to a mandatory write-down provided that a qualified majority of the unsecured creditors has approved such write-down. All unsecured debt will then be written down pro rata. A debt composition proposal, which yields at least 50 per cent of the amount of the unsecured debt, shall be deemed to be accepted by the creditors, where three-fifths of the creditors voting have accepted the proposal and their claims amount to three-fifths of the total amount of claims held by the creditors entitled to vote. Where the debt composition percentage is lower, the debt composition proposal shall be deemed to be accepted where three-fourths of the creditors voting have approved the proposal and their claims amount to three-fourths of the total amount of the claims held by the creditors entitled to vote. If a debt composition is approved, all subordinated debt of the Issuer, including the Capital Securities, will be completely written-off. In respect of subordinated debt it is important to notice that subordinated creditors may only take part in the creditors' meeting voting on a proposed debt composition provided the unsubordinated creditors consent to such participation. Potential investors should note that claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction.



In the event of an Issuer Winding-up or an Issuer Re-construction, Holders will only be eligible to recover any amounts in respect of their Capital Securities if all claims in respect of more senior-ranking obligations of the Issuer (whether secured or unsecured) have first been paid in full. If on an Issuer Winding-up or Issuer Re-construction, the assets of the Issuer are insufficient to repay the claims of all senior-ranking creditors in full, the Holders will lose their entire investment in the Capital Securities. If there are sufficient assets to repay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of the Capital Securities and all other obligations of the Issuer ranking pari passu with the Capital Securities, Holders will lose some or substantially all of their investment in the Capital Securities. The Holders therefore face a higher recovery risk than holders of unsubordinated obligations and Subordinated Indebtedness of the Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to or pari passu with the Capital Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the Capital Securities.

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

***The Capital Securities are long-term securities and therefore an investment in the Capital Securities constitutes a financial risk for a long period***

Unless the Capital Securities have been earlier redeemed or purchased and cancelled, the Capital Securities will be redeemed on 2 June 2081. The Issuer is under no obligation to redeem the Capital Securities at any time before this date and Holders have no right to call for redemption of the Capital Securities.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Capital Securities for a long period and may not recover their investment before the end of this period.

***The Issuer may defer interest payments***

The Issuer may, at any time and in its sole discretion (except on the Maturity Date of the Capital Securities or any other Interest Payment Date on which the Capital Securities are to be redeemed), elect to defer payment of all (but not some only) of the interest which would otherwise be paid on any Interest Payment Date, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose.

Any interest not paid on an applicable Interest Payment Date and deferred shall constitute Deferred Interest and shall be paid in whole, but not in part, at any time, at the option of the Issuer or on the occurrence of a Deferred Interest Payment Event or as otherwise specified in Condition 5(b) (*Settlement of Deferred Interest*).

Deferred Interest is due and payable upon the occurrence of certain events such as a Deferred Interest Payment Event which includes a declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Securities.

Any deferral of interest payments will be likely to have an adverse effect on the market price of the Capital Securities. In addition, as a result of such interest deferral provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition.

***Modification, waivers, substitution of Issuer***

The Conditions contain provisions for calling meetings of Holders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolutions or give their consent electronically, and including those Holders who voted in a manner contrary to the majority. The Conditions also provide that the Trustee may, without the consent of Holders, agree to (i) any modification of any of the provisions of the Capital Securities, the Trust Deed or the Paying Agency Agreement which is, in the

opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the Issuer of, the provisions of the Capital Securities, the Trust Deed or the Paying Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders, in the circumstances described in Condition 16 (*Meetings of Holders; Modification and Waiver; Issuer Substitution*) of the Capital Securities. The Conditions provide that the Trustee may, without the consent of the Holders agree to the substitution of any Subsidiary of the Issuer as the principal debtor in relation to the Trust Deed and the Capital Securities, all in the circumstances described in the Trust Deed and the Conditions of the Capital Securities.

In addition, pursuant to Condition 4(j) of the Capital Securities certain modifications may be made to the interest calculation provisions of the Capital Securities in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Trustee or the Holders.

***Holders of Capital Securities have no voting rights***

The Capital Securities are non-voting with respect to general meetings of the Issuer. Consequently, the holders of the Capital Securities cannot influence, *inter alia*, any decisions by the Issuer to defer payments or to optionally settle outstanding payments or any other decisions by the Issuer's shareholders concerning the capital structure of the Issuer.

***An active trading market for the Capital Securities may not develop***

The Capital Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Capital Securities. Application has been made for the listing of the Capital Securities on the Official List and for their admission to trading on the GEM. There can be no assurance that either such listing or admission to trading will be obtained or, if such listing or admission to trading is obtained, that an active trading market will develop or be sustained. In addition, the liquidity of any market for the Capital Securities will depend on the number of Holders, the interest of securities dealers in making a market in the Capital Securities and other factors. Accordingly, there can be no assurance as to the development or liquidity of any market for the Capital Securities.

***The Issuer may redeem the Capital Securities early; investors should consider reinvestment risk***

The Issuer will have the right to redeem the Capital Securities in whole, but not in part, on any date from and including, the First Optional Redemption Date up to and including the First Reset Date, or on any Interest Payment Date thereafter at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the date of redemption. The Issuer will also have the right to redeem all, but not some only, of the Capital Securities on any date prior to the First Optional Redemption Date at their Make-whole Redemption Amount.

The Issuer may also, at its option, redeem the Capital Securities in whole, but not in part, upon the occurrence of a Tax Deductibility Event, a Capital Event, a Change of Control Event, a Withholding Tax Event or a Substantial Repurchase Event, as further described in the Conditions.

In the case of a Tax Deductibility Event or a Capital Event relating to the Capital Securities, such redemption will be at (i) 101 per cent. of the principal amount of the Capital Securities, where such redemption occurs before the First Optional Redemption Date, or (ii) 100 per cent. of the principal amount of the Capital Securities where such redemption occurs on or after the First Optional Redemption Date, together in each case with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

In the case of a Withholding Tax Event, a Change of Control Event or a Substantial Repurchase Event, such redemption will be at 100 per cent. of the principal amount of the Capital Securities, together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

During any period when the Issuer may elect to redeem the Capital Securities or is perceived to be able to redeem the Capital Securities, the market value of the Capital Securities generally will not rise substantially above the price at which they can be redeemed.

The Issuer may choose to redeem the Capital Securities when its cost of borrowing is lower than the interest rate on the Capital Securities. There can be no assurance that, at the relevant time, Holders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Capital Securities. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### ***Substitution or variation of the Capital Securities***

There is a risk that, after the issue of the Capital Securities, a Tax Deductibility Event, a Capital Event or a Withholding Tax Event may occur which would entitle the Issuer, without any requirement for the consent or approval of the Holders, to substitute all, but not some only, of the Capital Securities for, or vary the terms of the Capital Securities so that they become or remain, Qualifying Capital Securities.

Whilst Qualifying Capital Securities are required to have terms which are not materially less favourable to Holders than the terms of the Capital Securities (as reasonably determined by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing), there can be no assurance that the Qualifying Capital Securities will not have a significant adverse impact on the price of, and/or the market for, the Capital Securities, nor that there will not be any adverse tax consequences for any Holders of the Capital Securities arising from such substitution or variation.

#### ***Reform and Regulation of "benchmarks"***

The euro interbank offered rate ("**EURIBOR**") (which is the floating leg of the 5 Year EUR Mid-Swap Rate used in the reset provisions for the Capital Securities), and other indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the interest on the Capital Securities during any Reset Period is linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value of and the amount payable under the Capital Securities. International proposals for reform of Benchmarks include the European Council's Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmark Regulation**") which was published in the official journal on 29 June 2016 and has applied from 1 January 2018. Additionally, Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmark Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

Any changes to a Benchmark as a result of the EU Benchmark Regulation and/or the UK Benchmark Regulation, as applicable, or other initiatives, could have a material adverse effect on the costs of refinancing securities linked to such Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. Although it is uncertain whether or to what extent any of the abovementioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of the Capital Securities, investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Capital Securities.

#### ***Discontinuation of the Original Reference Rate***

The Conditions provide that, if a Benchmark Event (which, amongst other events, includes the Original Reference Rate ceasing to exist, be administered or be published) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or an Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Reset Interest Rate for a Reset Period may result in the Capital Securities performing differently (which may include payment of a lower Reset Interest Rate for such Reset Period) than they would do if the Original Reference Rate were to continue to apply.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the terms and conditions of the Capital Securities also provide that an Adjustment Spread may be determined by the Issuer and the Independent Adviser and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). However, it may not be possible to determine or apply an Adjustment Spread and, even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Holders and/or Couponholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Reset Interest Rate for a Reset Period. The use of any Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) may still result in the Capital Securities performing differently (which may include payment of a lower Reset Interest Rate for such Reset Period) than they would if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate, Alternative Rate and/or Adjustment Spread, as applicable, is determined by the Independent Adviser, the terms and conditions of the Capital Securities provide that the Issuer and the Independent Adviser may agree to vary the terms and conditions of the Capital Securities, as necessary, to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, as applicable, without any requirement for consent or approval of the Holders or Couponholders.

Notwithstanding the occurrence of a Benchmark Event, the Issuer may be unable to appoint an Independent Adviser in accordance with the Conditions of the Capital Securities, or the Independent Adviser may not be able to determine, or may not agree on the selection of, a Successor Rate or Alternative Rate in accordance with the Conditions of the Capital Securities at least five Business Days prior to the Reset Interest Determination Date in respect of a Reset Period. In such circumstances, the Conditions provide for certain additional fall-back provisions which may result in the 5 Year EUR Mid-Swap Rate being set by reference to offered quotations from major banks in the European Interbank market selected by the Issuer or the last 5 Year EUR Mid-Swap Rate determined by the Calculation Agent for the previous Reset Period (or, in the case of the first Reset Interest Determination Date, -0.331 per cent).

If following a Benchmark Event, the Issuer is unable to appoint an Independent Adviser or the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the Capital Securities, this could result in the Capital Securities, in effect, becoming fixed rate securities.

Any of the foregoing could have an adverse effect on the value or liquidity of, and return on the Capital Securities.

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

If a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, the rights of the Holders in respect of the Capital Securities are limited to instituting proceedings for an Issuer Winding-up, and the Holders may prove and/or claim in respect of the Capital Securities in an Issuer Winding-up.

Whilst the claims of the Holders in an Issuer Winding-up are for the principal amount of their Capital Securities together with any Deferred Interest and any other accrued and unpaid interest, such claims will be subordinated as provided above under "The Capital Securities are subordinated to most of the Issuer's liabilities". The Holders shall not be entitled to accelerate payments of interest or principal under the Capital Securities in any circumstances outside an Issuer Winding-up. Furthermore, whilst the Holders may institute other proceedings against the Issuer to enforce the terms of the Capital Securities, the Issuer shall not, by virtue of such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Accordingly, the Holders' rights of enforcement in respect of payments under the Capital Securities are very limited.

***No limitation on issuing or guaranteeing debt ranking senior to or pari passu with the Capital Securities***

There is no restriction in the Conditions on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness or guarantees of third parties, including indebtedness that ranks pari passu with or senior to the Capital Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on an Issuer Winding-up or Issuer Re-construction and/or may increase the likelihood of a deferral of interest payments under the Capital Securities.

***Investors will have to rely on the procedures of Euroclear and Clearstream, Luxembourg***

The Capital Securities will be represented by the Global Capital Securities except in certain limited circumstances described in the Global Capital Securities. The Global Capital Securities will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Capital Securities, investors will not be entitled to receive Definitive Capital Securities. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Capital Securities. While the Capital Securities are represented by the Global Capital Securities, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. The Issuer will discharge its payment obligations under the Capital Securities by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Capital Security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Capital Securities.

Holders of beneficial interests in the Global Capital Securities will not have a direct right to vote in respect of the Capital Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Capital Securities will not have a direct right under the Global Capital Securities to take enforcement action against the Issuer in the event of a default under the Capital Securities, but will have to rely upon their rights under the Trust Deed.

***Minimum Denomination***

As the Capital Securities have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Capital Securities may be traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. In such case a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Capital Security in respect of such holding (should Definitive Capital Securities be printed) and would need to purchase a principal amount of the Capital Securities such that its holding amounts to the minimum denomination.

***Changes in laws or administrative practices could entail risks.***

The Capital Securities are governed by the laws of England (other than the Conditions relating to subordination of the Capital Securities, which are based on and governed by Swedish law) in effect as at the date of issue of the Capital Securities. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of these Listing Particulars. Furthermore, the Issuer and the Group operate in a heavily regulated environment and have to comply with regulations in a number of jurisdictions including Sweden, Denmark, Norway and Finland. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices of Sweden, Denmark, Norway or Finland after the date of these Listing Particulars.

***Compliance with sanctions may prevent the Issuer from performing its obligations under the Capital Securities.***

The Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Departments of State or Commerce, the EU, Her Majesty's Treasury and/or other governmental, regulatory or law enforcement agencies have imposed or may impose economic sanctions against governments, governmental authorities, other legal entities or private individuals. Any sanctioned persons, including

holders of the Capital Securities (if any), may not have the benefit of legal protections that would be available to non-sanctioned persons.

***The Capital Securities bear a fixed interest rate.***

The Capital Securities bear interest on their outstanding principal amount at a fixed interest rate, set by reference to a mid-swap rate plus a margin on the first reset date and on each fifth anniversary of such first reset date. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, current interest rates on capital markets (market interest rates) typically change continuously. In case market interest rates increase, the market price of such a security typically falls until the yield of such security is approximately equal to the market interest rates. If market interest rates fall, the price of a security with a fixed interest rate typically increases until the yield of such a security is approximately equal to market interest rates. Consequently, the Holders should be aware that movements of market interest rates may result in a material decline in the market price of the Capital Securities and may lead to losses for the Holders if they sell the Capital Securities.

Each reset interest rate may be different from the initial interest rate of the Capital Securities and may adversely affect the yield of the Capital Securities.

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

The market price of the Capital Securities could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of the Capital Securities, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Capital Securities without regard to the Issuer's results of operations, prospects or financial condition. Factors including increased competition or the Issuer's operating results, the regulatory environment, general market conditions, natural disasters, terrorist attacks and war may have an adverse effect on the market price of the Capital Securities.

**Risks Related to the Market Generally**

***Established trading market for the Capital Securities may not develop***

The Capital Securities may have no established trading market when issued, and the Issuer cannot assure investors that an active trading market for the Capital Securities will develop or be maintained. If a market does develop, it may not be liquid. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Capital Securities.

***Exchange rate risks and exchange controls exist to the extent payments in respect of the Capital Securities are made in a currency other than the currency in which an investor's activities are denominated.***

The Issuer will pay principal and interest on the Capital Securities in euros. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than in euros. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euros would decrease (1) the Investor's Currency-equivalent yield on the Capital Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Capital Securities and (3) the Investor's Currency equivalent market value of the Capital Securities.

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 Issuer to make payments in respect

of the Capital Securities. As a result, investors may receive less interest or principal than expected, or no interest or principal. Changes in market interest rates may adversely affect the value of the Capital Securities. Investment in the Capital Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Capital Securities, since the Capital Securities have a fixed rate of interest and prevailing interest rates in the future may be higher than that fixed rate of interest.

#### ***Interest rate risks***

Investment in the Capital Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Capital Securities.

#### ***Credit ratings may not reflect all risks***

The Issuer's credit ratings are an assessment by the relevant rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in its credit ratings will generally affect the market value of the Capital Securities. One or more independent credit rating agencies may assign credit ratings to the Capital Securities. The ratings may not reflect the potential impact of all risks related to the structure and marketing of the Capital Securities and additional factors discussed in these Listing Particulars or any other factors that may affect the value of the Capital Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

If the status of the rating agency rating the Capital Securities changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Capital Securities may have a different regulatory treatment, which may impact the value of the Capital Securities and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of these Listing Particulars.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Capital Securities are legal investments for it, (2) the Capital Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Capital Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Capital Securities under any applicable risk-based capital or similar rules.

#### ***Enforceability of judgments***

The UK left the EU on 31 January 2020 ("**Brexit**") and the transitional period agreed in the withdrawal agreement expired on 31 December 2020 during which EU law continued to apply to the UK. As a result, the Recast Brussels Regulation (Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012) has ceased to apply to the UK (and English court judgments).

As no new reciprocal agreement on civil justice has been agreed, there will be a period of uncertainty concerning the enforcement of English court judgments in Sweden following Brexit. As a result, a judgment entered against the Issuer in an English court may not be recognised or enforceable in Sweden as a matter of law without a re-trial on its merits.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with these Listing Particulars and have been filed with Euronext Dublin and shall be deemed to be incorporated in, and to form part of, these Listing Particulars:

1. The following sections of the base prospectus dated 15 July 2020 prepared by Balder in connection with its EUR 2,000,000,000 Euro Medium Term Note Programme (the "**Base Prospectus**"):
  - (i) "*Important Notices – Alternative Performance Measures*" on page 7 and "*Forward Looking Statements*" on pages 7 to 8 of the Base Prospectus;
  - (ii) "*Risk Factors – Factors that may affect the Issuers' and, as the case may be, the Guarantor's ability to fulfil its obligations under notes issued under the Programme – Risks relating to the macroeconomic conditions*" on pages 15 to 16," – *Risks relating to Balder's Business Operations* " on pages 16 to 22 and "– *Financial risks*" on pages 23 to 24 of the Base Prospectus;
  - (iii) "*Description of Fastighets AB Balder*" on pages 101 to 103 of the Base Prospectus;
  - (iv) "*Selected Financial Information and Key Financial Ratios of the Group*" on page 106 of the Base Prospectus;
  - (v) "*Business Model and Strategy*" on pages 107 to 111 of the Base Prospectus;
  - (vi) "*Property Market Overview*" on pages 112 to 113 of the Base prospectus;
  - (vii) "*Group Property Portfolio*" on pages 114 to 124 of the Base Prospectus;
  - (viii) "*Financial and Capital Structure*" on pages 125 to 127 of the Base Prospectus;
  - (ix) "*Share Structure and Shareholders*" on pages 128 to 129 of the Base Prospectus;
  - (x) "*Board of Directors, Senior Management and Corporate Governance*" on pages 130 to 135 of the Base Prospectus; and
  - (xi) "*Glossary of Terms*" on pages 136 to 138 of the Base Prospectus;

[https://en.balder.se/sites/balder/files/base\\_prospectus\\_emtn\\_programme\\_15\\_july\\_2020.pdf](https://en.balder.se/sites/balder/files/base_prospectus_emtn_programme_15_july_2020.pdf)

2. The section entitled "*Recent Developments*" on page 3 of the supplement to the Base Prospectus dated 22 December 2020 prepared by Balder.

[https://en.balder.se/sites/balder/files/supplement\\_dated\\_22\\_december\\_2020\\_to\\_base\\_prospectus.pdf](https://en.balder.se/sites/balder/files/supplement_dated_22_december_2020_to_base_prospectus.pdf)

3. The Fastighets AB Balder Year-end report January-December 2020, which includes the unaudited consolidated and unconsolidated financial statements of Fastighets AB Balder in respect of the twelve month period ended 31 December 2020.

[https://en.balder.se/sites/balder/files/year-end\\_report\\_2020.pdf](https://en.balder.se/sites/balder/files/year-end_report_2020.pdf)

4. The unaudited interim consolidated financial statements (including the auditors' review report thereon and notes thereto) of Fastighets AB Balder in respect of the nine month period ended 30 September 2020, as set out on the following pages of Fastighets AB Balder's Interim report January-September 2020:

Auditor's Report	Page 16
Consolidated statement of comprehensive income	Page 17
Consolidated statement of financial position	Page 18



Consolidated statement of changes in equity	Page 18
Consolidated statement of cash flow	Page 19
Condensed parent company income statement	Page 22
Condensed parent company balance sheet	Page 22

<https://en.balder.se/sites/balder/files/1330533.pdf>

5. The audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Fastighets AB Balder in respect of the year ended 31 December 2019, as set out on the following pages of Fastighets AB Balder's 2019 Annual Report:

Consolidated Statement of Comprehensive Income	Page 49
Consolidated Statement of Financial Position	Page 50
Consolidated Statement of Changes in Equity	Page 51
Consolidated Statement of Cash Flows	Page 52
Notes to the financial statements	Pages 57 to 85
Auditors' Report	Pages 87 to 89

[https://en.balder.se/sites/balder/files/balder\\_ar19\\_eng\\_200406.pdf](https://en.balder.se/sites/balder/files/balder_ar19_eng_200406.pdf)

6. The audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Fastighets AB Balder in respect of the year ended 31 December 2018, as set out on the following pages of Fastighets AB Balder's 2018 Annual Report:

Consolidated Statement of Comprehensive Income	Page 69
Consolidated Statement of Financial Position	Page 70
Consolidated Statement of Changes in Equity	Page 71
Consolidated Statement of Cash Flows	Page 72
Notes to the Financial Statements	Pages 77 to 99
Auditors' Report	Pages 100 to 102

<https://en.balder.se/sites/balder/files/1025219.pdf>

save, that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Listing Particulars.

Copies of the documents incorporated by reference in these Listing Particulars may be inspected, free of charge, during usual business hours at the specified offices of the Principal Paying Agent.

Any documents themselves incorporated by reference in the documents incorporated by reference in these Listing Particulars shall not form part of these Listing Particulars. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in these Listing Particulars.

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following, except for paragraphs in italics, is the text of the terms and conditions of the Capital Securities which, subject to amendment, will be endorsed on each Capital Security in definitive form (if issued):*

The EUR 500,000,000 2.873 per cent. Subordinated Fixed to Reset Rate 5.25 year Non-Call Capital Securities due 2081 (the "**Capital Securities**", which expression includes any Further Capital Securities issued pursuant to Condition 17 (*Further Issues*) and forming a single series therewith) of Fastighets AB Balder (the "**Issuer**") are subject to, and have the benefit of, a trust deed dated 2 March 2021 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and Deutsche Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of a paying agency agreement dated 2 March 2021 (as amended or supplemented from time to time, the "**Paying Agency Agreement**") between the Issuer, Deutsche Bank AG, London Branch, as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Capital Securities), Deutsche Bank AG, London Branch as calculation agent (the "**Calculation Agent**", which expression includes any successor calculation agent appointed from time to time in connection with the Capital Securities) and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Paying Agency Agreement and subject to their detailed provisions. The holders of the Capital Securities (the "**Holders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) and the holders of talons ("**Talons**") for future Coupons, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Paying Agency Agreement applicable to them. Copies of the Trust Deed and the Paying Agency Agreement are available for inspection by Holders during normal business hours at the registered office for the time being of the Trustee, being at the date hereof Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and at the Specified Office (as defined in the Paying Agency Agreement) of the Principal Paying Agent. Any capitalised terms not defined herein shall be given the meaning attributed in the Trust Deed.

### 1. **Form, Denomination and Title**

#### (a) ***Form and Denomination***

The Capital Securities are serially numbered and in bearer form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, each with Coupons and a Talon attached at the time of issue. No definitive Capital Securities will be issued with a denomination above EUR 199,000. Capital Securities of one denomination may not be exchanged for Capital Securities of any other denomination.

#### (b) ***Title***

Title to the Capital Securities, Coupons and Talons will pass by delivery. The Issuer, the Trustee and any Paying Agent will (except as ordered by a court of competent jurisdiction or as otherwise required by law) deem and treat the bearer of any Capital Security, Coupon or Talon as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

### 2. **Status**

The Capital Securities and Coupons constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the Holders in respect of the Capital Securities and the Couponholders in respect of the Coupons, in each case against the Issuer, are subordinated as described in Condition 3(a) (*Rights on a winding up or company re-construction*).

### 3. **Subordination and rights on a winding-up**

#### (a) ***Rights on a winding-up or company re-construction***

In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer (each an "**Issuer Winding-up**"), the Trustee on behalf of the Holders and the Couponholders

or, in the limited circumstances described in Condition 12(d), the Holders, shall, in respect of their Capital Securities, have a claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:

- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities;
- (ii) in priority to all present or future claims in respect of (A) the share capital of the Issuer and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Securities or any Parity Security; and
- (iii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

In the event of a company re-construction (*företagsrekonstruktion*) of the Issuer under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (an "**Issuer Re-construction**"), the Trustee on behalf of the Holders or, in the limited circumstances described in Condition 12(d), the Holders, shall, in respect of the Capital Securities and Coupons, have a statutory claim (in lieu of any other amount) for the principal amount of their Capital Securities and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:

- (i) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Securities; and
- (ii) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

*Claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under an Issuer Re-construction.*

(b) ***Set-off***

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

4. **Interest**

(a) ***Interest Accrual***

The Capital Securities bear interest on their principal amount at the applicable Interest Rate from (and including) 2 March 2021 (the "**Issue Date**") up to (but excluding) the Maturity Date in accordance with the provisions of this Condition 4 (*Interest*).

The Capital Securities (and any unpaid amounts thereon) will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 6 (*Redemption*) or the date of substitution thereof pursuant to Condition 7 (*Substitution or Variation*), as the case may be, unless, upon due presentation, payment of all unpaid amounts in respect of the Capital Securities is not made, in which event interest shall continue to accrue in respect of the principal amount of, and any other unpaid amounts on, the Capital Securities, both before and after judgment, and shall be payable as provided in these Conditions up to (but excluding) the Relevant Date.

When interest is required to be calculated in respect of a period of less than a full year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or, as the

case may be, the first) scheduled Interest Payment Date (the "**Day-Count Fraction**"). Where it is necessary to compute an amount of interest in respect of any Capital Security for a period of more than an Interest Period, such interest shall be the aggregate of the interest computed in respect of a full year plus the interest computed in respect of the period exceeding the full year calculated in the manner as aforesaid.

Interest in respect of any Capital Security shall be calculated per €1,000 in principal amount thereof (the "**Calculation Amount**"). The amount of interest calculated per Calculation Amount for any period shall be equal to the product of the relevant Interest Rate, the Calculation Amount and the Day-Count Fraction for the relevant period and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of a Capital Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Capital Security without any further rounding.

(b) ***Interest Payment Dates***

Subject to Condition 5 (*Optional Interest Deferral*), interest shall be payable on the Capital Securities annually in arrear on 2 June in each year (each an "**Interest Payment Date**") from (and including) 2 June 2021 (the "**First Interest Payment Date**"). There will be a short first coupon payable on the First Interest Payment Date. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".

(c) ***Initial Interest Rate***

The Interest Rate in respect of each Interest Period commencing prior to the First Reset Date is 2.873 per cent. per annum (the "**Initial Interest Rate**").

The first payment of interest, to be made on the First Interest Payment Date, will be in respect of the short first period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and will amount to EUR 7.24 per Calculation Amount. The Interest Payment in respect of each Interest Period commencing on or after the First Interest Payment Date and before the First Reset Date will amount to EUR 28.73 per Calculation Amount. Any such Interest Payment may be deferred in accordance with Condition 5 (*Optional Interest Deferral*).

(d) ***Reset Interest Rates***

The Interest Rate in respect of each Interest Period falling in a Reset Period shall be the aggregate of the applicable Margin and the applicable 5 Year EUR Mid-Swap Rate for such Reset Period, all as determined by the Calculation Agent (each a "**Reset Interest Rate**").

(e) ***Determination of Reset Interest Rates and Calculation of Interest Amounts***

The Calculation Agent shall, at or as soon as practicable after 11:00 am (Central European time) on each Reset Interest Determination Date, determine the Reset Interest Rate in respect of the Reset Period commencing immediately following such Reset Interest Determination Date and shall calculate the amount of interest which will (subject to deferral in accordance with Condition 5 (*Optional Interest Deferral*)) be payable per Calculation Amount in respect of each such Interest Period (the "**Interest Amount**").

(f) ***Publication of Reset Interest Rates and Interest Amounts***

Unless the Capital Securities are to be redeemed, the Issuer shall cause notice of each Reset Interest Rate and each related Interest Amount to be given to the Trustee, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 18 (*Notices*), the Holders, in each case as soon as practicable after its determination but in any event not later than the first Business Day of the relevant Reset Period.

(g) **Calculation Agent**

The Issuer may (with prior notification to the Trustee) from time to time replace the Calculation Agent with another independent financial institution. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or fails to determine a Reset Interest Rate or calculate the related Interest Amount or effect the required publication thereof (in each case as required pursuant to these Conditions), the Issuer shall forthwith appoint another independent financial institution to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid. If the Issuer fails to appoint a successor Calculation Agent in a timely manner, then the Calculation Agent shall be entitled to appoint as its successor a reputable financial institution of good standing which the Issuer and the Trustee shall approve.

(h) **Determinations of Calculation Agent Binding**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 (*Interest*) by the Calculation Agent shall (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Calculation Agent, the Trustee, the Paying Agents and all Holders and Couponholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Holders, the Couponholders or the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(i) **Step-up after first Change of Control Event**

Notwithstanding any other provision of this Condition 4 (*Interest*), if the Issuer does not elect to redeem the Capital Securities in accordance with Condition 6(f) (*Redemption for Change of Control Event*) following the occurrence of the first Change of Control Event to occur on or after the Issue Date, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4 (*Interest*), on the Capital Securities shall be increased by an additional 5 percentage points per annum with effect from (and including) the day immediately following the Change of Control Step-up Date.

(j) **Benchmark Event**

(i) Notwithstanding the provisions above in this Condition 4 (*Interest*), if, on or after the First Optional Redemption Date (as defined below), the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred in relation to the Original Reference Rate (whether such occurrence is before, on or after the First Optional Redemption Date) when any Reset Interest Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the following provisions shall apply:

(A) The Issuer shall use its reasonable endeavours to select and appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the relevant Reset Interest Determination Date relating to the next succeeding Reset Period ("**IA Determination Cut-off Date**"), a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)(i)(B) below) and, in either case, an Adjustment Spread (if any) (in accordance with Condition 4(j)(i)(C) below) and any Benchmark Amendments (in accordance with Condition 4(j)(i)(D) below).

An Independent Adviser appointed pursuant to this Condition shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent, any Paying Agent the Trustee or the Holders, or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with the operation of this Condition 4(j).

(B) If the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines and notifies the Calculation Agent prior to the date which is

five Business Days prior to the next relevant Reset Interest Determination Date that:

- (1) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(j)(i)(C) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest Rate(s) for all future payments of interest on the Capital Securities (subject to the subsequent further operation of this Condition 4(j)); or
  - (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread as provided in Condition 4(j)(i)(C) below) shall subsequently be used in place of the Original Reference Rate as a component part of determining the relevant Reset Interest Rate(s) for all future payments of interest on the Capital Securities (subject to the subsequent further operation of this Condition 4(j)).
- (C) If the Independent Adviser acting in good faith determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero), then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Reset Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable), subject to the subsequent further operation and adjustment as provided in this Condition 4(j).
- (D) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(j) and the Independent Adviser acting in good faith determines: (I) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (II) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(j)(i)(E) below, without any requirement for the consent or approval of the Holders or the Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

For the avoidance of doubt, the Trustee and Paying Agents shall, at the request and expense of the Issuer, agree to effect such consequential amendments to the Trust Deed, the Paying Agency Agreement and these Conditions as the Issuer determines and certifies to the Trustee may be required in order to give effect to this Condition 4(j) regardless of whether or not effecting such Benchmark Amendments would constitute a Reserved Matter or one or more provisos under Condition 16 (*Meetings of Holders; Modification and Waiver; Substitution of the Issuer*) **provided, however, that** neither the Trustee nor any Paying Agent (as applicable) shall be obliged to agree to any such consequential amendments if the same would, in the sole opinion of the Trustee or the relevant Paying Agent (as applicable), have the effect of (i) exposing it to any liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing its obligations or duties or decreasing its rights and/or the protective provisions afforded to it in the Trust Deed and/or these Conditions and/or the Paying Agency Agreement (as applicable).

In connection with any such variation in accordance with this Condition 4(j)(i)(D), the Issuer shall comply with the rules of any stock exchange or other relevant authority on or by which the Capital Securities are for the time being listed or admitted to trading.

- (E) The Issuer shall notify the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Holders of any Successor Rate, Alternative Rate, any applicable Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(j). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (F) No later than notifying the Trustee and the Principal Paying Agent of the same, the Issuer shall deliver to the Trustee and the Principal Paying Agent a certificate signed by an authorised signatory of the Issuer confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(j).
- The Trustee shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.
- (G) Without prejudice to the obligations of the Issuer under this Condition 4(j)(i), the Original Reference Rate and the fallback provisions provided for in the definition of 5 Year EUR Mid-Swap Rate in Condition 22 (*Definitions*) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and the applicable Adjustment Spread and Benchmark Amendments, in accordance with this Condition 4(j).
- (H) If, following the occurrence of a Benchmark Event and in relation to the determination of the Reset Interest Rate (or any component part thereof) on the immediately following Reset Interest Determination Date, the Issuer is unable to appoint an Independent Adviser or no Successor Rate or Alternative Rate (as applicable) is determined or a Successor Rate or Alternative Rate (as applicable) is determined but is not notified to the Calculation Agent pursuant to this provision prior to the IA Determination Cut-off Date and the screen page set out in the definition of 5 Year EUR Mid-Swap Rate in Condition 22 (*Definitions*) is no longer available for use, the Reset Interest Rate applicable to the next succeeding Reset Period shall be equal to the Reset Interest Rate last determined in relation to the Capital Securities in respect of the immediately preceding Reset Period (though substituting, where a different Margin is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the Margin relating to the relevant Reset Period, in place of the Margin relating to that last preceding Reset Period).
- (I) Notwithstanding any other provision of this Condition 4(j), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(j), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.
- (J) For the avoidance of doubt, this Condition 4(j)(i) shall apply to the determination of the Reset Interest Rate on the relevant Reset Interest Determination Date only, and the Reset Interest Rate applicable to any subsequent Reset Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(j)(i).

(ii) As used in this Condition 4(j):

**"Adjustment Spread"** means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser acting in good faith determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate (to the fullest extent reasonably practicable in the circumstances) any economic prejudice or benefit (as the case may be) to Holders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Rate, or (where (A) above does not apply) in the case of a Successor Rate, the Independent Adviser acting in good faith determines is recognised or acknowledged as being in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) (if no such customary market usage is recognised or acknowledged) the Independent Adviser acting in good faith determines to be appropriate;

**"Alternative Rate"** means an alternative to the Original Reference Rate which the Independent Adviser acting in good faith determines in accordance with this Condition 4(j) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for resetting 5 year periods in euro or, if the Independent Adviser determines there is no such rate, such other rate as the Independent Adviser acting in good faith and in a commercially reasonable manner determines is most comparable to the Original Reference Rate;

**"Benchmark Amendments"** has the meaning specified in Condition 4(j)(i)(D);

**"Benchmark Event"** means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing permanently to be calculated, administered and published;
- (B) the later of (I) the making of a public statement by the administrator or an insolvency official with jurisdiction over the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (II) the date falling six months prior to the specified date referred to in (B)(I) above;
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (D) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (II) the date falling six months prior to the specified date referred to in (D)(I) above;
- (E) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to



restrictions or adverse consequences, in each case on or before a specified date and (II) the date falling six months prior to the specified date referred to in (E)(I) above;

- (F) it has, or will prior to the next Reset Interest Determination Date, become unlawful for the Issuer, the Calculation Agent, any Paying Agent or any other party to calculate any payments due to be made to any Holder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); and/or
- (G) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

in each case, as determined by the Issuer, or in the case of (F) above, the Issuer in consultation with the relevant party;

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer under Condition 4(j)(i) at its own expense;

**"Original Reference Rate"** means the rate described in the first paragraph of the definition of 5 Year EUR Mid-Swap Rate in Condition 22 (*Definitions*) (provided that if, following one or more Benchmark Events, such 5 Year EUR Mid-Swap Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate, the term "Original Reference Rate" shall after such replacement mean the Successor Rate or Alternative Rate then used for making such interest determination);

**"Relevant Nominating Body"** means, in respect of the Original Reference Rate:

- (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Original Reference Rate relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (III) a group of the aforementioned central banks or other supervisory authorities, or (IV) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is provided by law or regulation applicable to indebtedness denominated in the currency to which the Original Reference Rate relates and/or formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

## 5. **Optional Interest Deferral**

### (a) ***Deferral of Interest Payments***

The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on the Maturity Date or any other Interest Payment Date on which the Capital Securities are to be redeemed) by giving notice (a "**Deferral Notice**") of such election to the Holders in accordance with Condition 18 (*Notices*), the Trustee and the Paying Agents not less than seven Business Days prior to the relevant Interest Payment Date.

Any Interest Payment so deferred pursuant to this Condition 5(a) (*Deferral of Interest Payments*) shall, from (and including) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (but excluding) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each subsequent Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute "**Deferred Interest**".

The deferral of an Interest Payment in accordance with this Condition 5(a) (*Deferral of Interest Payments*) shall not constitute a default by the Issuer under the Capital Securities or the Trust Deed or for any other purpose.

(b) ***Settlement of Deferred Interest***

(i) ***Optional Settlement***

Deferred Interest may be paid (in whole but not in part) at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 18 (*Notices*), the Trustee and the Paying Agents not less than seven Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest.

(ii) ***Mandatory settlement***

The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:

- (i) the 10th Business Day following the date on which a Deferred Interest Payment Event occurs;
- (ii) any Interest Payment Date in respect of which the Issuer does not elect to defer the interest accrued in respect of the relevant Interest Period; and
- (iii) the date on which the Capital Securities are redeemed or repaid in accordance with Condition 6 (*Redemption*) or Condition 12 (*Default and Enforcement*).

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Holders in accordance with Condition 18 (*Notices*), the Trustee and the Paying Agents within three Business Days of such event.

6. **Redemption**

(a) ***Final Redemption Date***

Unless previously repaid, redeemed or purchased and cancelled as provided in these Conditions, the Capital Securities will be redeemed on the Maturity Date at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the Maturity Date.

(b) ***Issuer's Call Option***

The Issuer may, by giving not less than 15 nor more than 30 days' notice to the Trustee, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption, the "**Redemption Date**"), redeem all (but not some only) of the Capital Securities on (a) any date from and including the First Optional Redemption Date up to and including the First Reset Date or (b) on any Interest Payment Date thereafter at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) such Redemption Date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

(c) ***Make-whole Redemption by the Issuer***

Without prejudice to the right of the Issuer to redeem the Capital Securities pursuant to, and in accordance with, Conditions 6(d)-(f), the Issuer may, having given not less than 15 nor more than 30 calendar days' notice to the Trustee, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable and shall, subject to the paragraph below, specify the date fixed for redemption (such date, the "**Make-whole Redemption Date**")) redeem all but not some only of the Capital Securities then outstanding on any date prior to the First Optional Redemption Date at the Make-whole Redemption Amount. No later than the Business Day immediately following the Calculation Date: the Make-whole Calculation Agent shall notify the Issuer; and the Issuer shall notify the Trustee, the Paying Agents and the Holders, of the Make-whole Redemption Amount.

Any such notice of the redemption of the Capital Securities may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Make-whole Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Make-whole Redemption Date, or by the Make-whole Redemption Date so delayed. The Issuer shall notify the Trustee, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Holders of any delay to the Make-whole Redemption Date or rescindment of the notice of the redemption of the Capital Securities (as applicable).

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Benchmark Rate"** means the mid-market annual yield to maturity of the Reference Bond as displayed on the Reference Screen Page at 11.00 a.m. (CET) on the Calculation Date (or, if the Reference Screen Page is not available at such time, the average of the four quotations given by Reference Dealers of the mid-market annual yield to maturity of the Reference Bond on the Calculation Date at or around 11.00 a.m. (CET)). The Benchmark Rate (and the reference of the Similar Security, if applicable) will be published by the Issuer in accordance with Condition 18 (*Notices*).

**"Calculation Date"** means the third Business Day prior to the Make-whole Redemption Date.

**"Make-whole Calculation Agent"** means the agent to be appointed by the Issuer.

**"Make-whole Margin"** means 0.50 per cent. per annum.

**"Make-whole Redemption Amount"** means, in respect of each Capital Security, an amount in Euro, determined by the Make-whole Calculation Agent, equal to the sum of:

- (i) the greater of (x) 100 per cent. of the principal amount of such Capital Security to be redeemed and (y) the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Capital Security (exclusive of any Deferred Interest and any interest accruing on such Capital Security from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) up to the First Optional Redemption Date and discounted to such Make-whole Redemption Date, on the basis of the Day-Count Fraction at a rate equal to the Make-whole Redemption Rate; and
- (ii) any interest accrued but not paid, and any unpaid Deferred Interest, on such Capital Security to, but excluding, the Make-whole Redemption Date.

**"Make-whole Redemption Rate"** means the sum, as calculated by the Make-whole Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

**"Reference Bond"** means DBR 0.500% Feb-26, with ISIN DE0001102390, or if such security is no longer outstanding a Similar Security chosen by the Make-whole Calculation Agent and notified to the Issuer.

**"Reference Dealers"** means four banks selected from time to time by the Make-whole Calculation Agent, at its sole discretion, which are primary government security dealers or market makers in pricing corporate bond issues.

**"Reference Screen Page"** means Bloomberg screen page "HP" for the Reference Bond (using the settings "Mid YTM" and "Daily") (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Bond.

**"Similar Security"** means a German *Bundesobligationen* having an actual or interpolated maturity comparable with the remaining term of the Capital Securities to be redeemed, assuming for this purpose only that the Capital Securities mature on the First Optional Redemption Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable with the Capital Securities.

(d) ***Redemption upon a Tax Deductibility Event or a Capital Event***

If a Tax Deductibility Event or a Capital Event has occurred and is continuing, the Issuer may, by giving not less than 15 nor more than 30 days' notice to the Trustee, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*), redeem all, but not some only, of the Capital Securities at any time at an amount equal to:

- (i) 101 per cent. of their principal amount, where such redemption occurs before the First Optional Redemption Date; or
- (ii) 100 per cent. of their principal amount, where such redemption occurs on or after the First Optional Redemption Date,

together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

(e) ***Redemption upon a Withholding Tax Event or a Substantial Repurchase Event***

If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, by giving not less than 15 nor more than 30 days' notice to the Trustee, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*), redeem all, but not some only, of the Capital Securities at any time at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

(f) ***Redemption for Change of Control Event***

If on or after the Issue Date (i) a Change of Control occurs; and (ii) within the Change of Control Period, a Rating Downgrade in respect of that Change of Control occurs (a "**Change of Control Event**") the Issuer may, at the earliest on the date following the expiry of the Exercise Period, and upon giving not less than 15 nor more than 30 days' notice to the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Securities at an amount equal to 100 per cent. of their principal amount together with any

Deferred Interest and any other accrued and unpaid interest up to (but excluding) the redemption date.

Upon the expiry of such notice, the Issuer shall redeem the Capital Securities.

Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Notice**") to the Holders in accordance with Condition 18 (*Notices*) specifying the nature of the Change of Control Event.

7. **Substitution or Variation**

If at any time a Tax Deductibility Event, a Capital Event or a Withholding Tax Event has occurred on or after the Issue Date and is continuing, then the Issuer may, subject to Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*) (without any requirement for the consent or approval of the Holders or Couponholders), and having given not less than 15 nor more than 30 days' notice to the Trustee, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable), at any time either:

- (i) substitute all, but not some only, of the Capital Securities for Qualifying Capital Securities; or
- (ii) vary the terms of the Capital Securities with the effect that they remain or become, as the case may be, Qualifying Capital Securities, and the Trustee shall (subject to the following provisions of this Condition 7 (*Substitution or Variation*) and subject to the receipt by it of the certificate signed by two Authorised Signatories of the Issuer referred to in Condition 8 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation*)) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Capital Securities in accordance with this Condition 7 (*Substitution or Variation*).

The Trustee shall (at the expense of the Issuer) use reasonable endeavours to assist the Issuer in the substitution of the Capital Securities for, or the variation of the terms of the Capital Securities so that they remain or, as the case may be, become, Qualifying Capital Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Capital Securities, or the participation in or assistance with such substitution or variation, would expose the Trustee to any liability or impose, in the Trustee's opinion, more onerous obligations upon it. If the Trustee does not participate or assist as provided above, the Issuer may redeem the Capital Securities as provided in Condition 6.

In connection with any substitution or variation in accordance with this Condition 7 (*Substitution or Variation*), the Issuer shall comply with the rules of any stock exchange on which the Capital Securities are for the time being listed or admitted to trading.

8. **Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution or Variation**

Prior to the publication of any notice of redemption pursuant to Condition 6 (*Redemption*) (other than redemption pursuant to Condition 6(b) (*Issuer's Call Option*)) or any notice of substitution or variation pursuant to Condition 7 (*Substitution or Variation*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating:

- (i) that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary (as the case may be) the Capital Securities is satisfied;
- (ii) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it; and

- (iii) in the case of a substitution or variation pursuant to Condition 7 (*Substitution or Variation*), that:
  - (A) the Issuer has determined that the terms of the Qualifying Capital Securities are not materially less favourable to Holders than the terms of the Capital Securities and that determination was reasonably reached by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing;
  - (B) the criteria specified in paragraphs (a) to (h) of the definition of Qualifying Capital Securities will be satisfied by the Qualifying Capital Securities upon issue; and
  - (C) the relevant substitution or variation (as the case may be) will not result in the occurrence of a Special Event.

The Trustee shall be entitled to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in such paragraphs, in which event it shall be conclusive and binding on the Holders and the Couponholders.

In addition, in the case of a Tax Deductibility Event or a Withholding Tax Event, the Issuer shall deliver to the Trustee an opinion of independent legal or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the Tax Deductibility Event or a Withholding Tax Event is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). The Trustee shall be entitled to accept such opinion without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in this paragraph, in which case it shall be conclusive and binding on the Holders and the Couponholders.

Any redemption of the Capital Securities in accordance with Condition 6 (*Redemption*) shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Condition 5(b)(ii) (*Mandatory Settlement*) on or prior to the date of such redemption.

## 9. **Purchases and Cancellation**

### (a) ***Purchase***

Each of the Issuer and any of its Subsidiaries may at any time purchase or procure others to purchase beneficially for its account any or all Capital Securities in the open market or otherwise and at any price. The Capital Securities so purchased may be held or resold (**provided that** such resale is outside the United States and is otherwise in compliance with all applicable laws) or surrendered for cancellation at the option of the Issuer or otherwise, as the case may be in compliance with Condition 9(b) (*Cancellation of Capital Securities*) below. Any purchases of Capital Securities will be made together with all unmatured Coupons and Talons appertaining thereto.

The Capital Securities so purchased, while held by or on behalf of the Issuer or any such Subsidiary shall not entitle the Holder to vote at any meeting of the Holders and shall not be deemed to be outstanding for the purposes of, *inter alia*, calculating quorums at meetings of the Holders or for the purposes of Condition 16 (*Meetings of Holders; Modification and Waiver; Substitution of the Issuer*).

### (b) ***Cancellation of Capital Securities***

All Capital Securities which are redeemed pursuant to Condition 6 (*Redemption*) or substituted pursuant to Condition 7 (*Substitution or Variation*) and all Capital Securities purchased and surrendered for cancellation pursuant to Condition 9(a) (*Purchase*) (in each case, together with all unmatured Coupons and unexchanged Talons relating thereto) will be cancelled and may not be reissued or resold. For so long as the Capital Securities are admitted to trading on the Global Exchange Market ("**GEM**") of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and the rules of such exchange so require, the Issuer shall promptly inform Euronext Dublin of the cancellation of any Capital Securities under this Condition 9(b) (*Cancellation of Capital Securities*).

10. ***Payments***

(a) ***Method of Payment***

(i) ***Principal, Premium and Interest***

Payments of principal, premium and interest will be made against presentation and surrender of Capital Securities or the appropriate Coupons (as the case may be) at the specified office of any of the Paying Agents except that payments of interest in respect of any period not ending on an Interest Payment Date will only be made against presentation and either surrender or endorsement (as appropriate) of the relevant Capital Securities. Such payments will be made by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

(ii) ***Unmatured Coupons***

Upon the due date for redemption of any Capital Security, unmatured Coupons relating to such Capital Security (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Capital Security is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iii) ***Talons***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Capital Securities, the Talon forming part of such Coupon sheet may be surrendered at the specified office of any of the Paying Agents in exchange for a further Coupon sheet (to include another Talon for a further Coupon sheet, if appropriate) (but excluding any Coupons that may have become void pursuant to Condition 13 (*Prescription*)).

(b) ***Payments on business days***

If the due date for payment of any amount in respect of any Capital Security or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, is a day on which the TARGET System is operating.

(c) ***Payments subject to fiscal laws***

All payments in respect of the Capital Securities are subject in all cases to any (i) applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto ("**FATCA Withholding**").

(d) ***Interpretation of Principal, Premium and Interest***

References in these Conditions to principal, premium, Interest Payments, Deferred Interest and/or any other amount in respect of interest shall be deemed to include any additional amounts which may become payable pursuant to Condition 11 (*Taxation*).

11. **Taxation**

All payments of principal, premium and interest (including Deferred Interest) in respect of the Capital Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges ("**Taxes**") of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Sweden or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Holders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Capital Security or Coupon:

- (a) the Holder or the Couponholder of which is liable for the Taxes in respect of such Capital Security or related Coupon by reason of such holder having some connection with the Kingdom of Sweden other than the mere holding of such Capital Security or Coupon; or
- (b) presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder or Couponholder would have been entitled to such additional amounts on presenting or surrendering the same for payment on the last day of such period of 30 days; or

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Capital Securities by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to any FATCA Withholding. Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 11 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 11 (*Taxation*) pursuant to the Trust Deed.

If the Issuer becomes generally subject at any time to any taxing jurisdiction other than the Kingdom of Sweden in respect of payments of interest or principal on the Capital Securities or the Coupons, references in these Conditions to the Kingdom of Sweden shall be construed as references to the Kingdom of Sweden and/or such other jurisdiction.

12. **Default and Enforcement**

(a) ***Proceedings***

Without prejudice to the Issuer's right to defer the payment of interest under Condition 5(a) (*Deferral of Interest Payments*), if a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Capital Securities which is due and payable, then the Issuer shall be deemed to be in default under the Capital Securities and the Coupons and the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Capital Securities then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 12(c)), institute proceedings for an Issuer Winding-up *provided that* the default is continuing.

In the event of an Issuer Winding-up, a Holder may, provided such Holder does not contravene a previously adopted Extraordinary Resolution (if any), prove and/or claim in such Issuer Winding-up in respect of the Capital Securities, such claim being for such amount, and being subordinated in such manner, as is provided under Condition 3(a) (*Rights on a winding-up or company reconstruction*).

(b) ***Enforcement***

The Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Capital Securities or the Coupons but in no event shall the Issuer, by virtue of the



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

(c) ***Entitlement of Trustee***

The Trustee shall not be bound to take any of the actions referred to in Condition 12(a) or Condition 12(b) above to enforce the terms of the Trust Deed, the Capital Securities or the Coupons or any other action or step under or pursuant to the Trust Deed or the Capital Securities or the Coupons unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the holders of at least one-fifth in principal amount of the Capital Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(d) ***Right of Holders***

No Holder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for an Issuer Winding-up and/or prove and/or claim in an Issuer Winding-up unless the Trustee, having become so bound to proceed or being able to prove and/or claim in such Issuer Winding-up, fails to do so within a reasonable period and such failure shall be continuing. In that case, each Holder and Couponholder shall have only such rights against the Issuer in respect of such Holder's or Couponholder's Capital Securities or Coupons (as the case may be) as those which the Trustee is entitled to exercise on behalf of such Holder or Couponholder, as set out in this Condition 12.

(e) ***Extent of Holders' Remedy***

No remedy against the Issuer, other than as referred to in this Condition 12 (*Default and Enforcement*), shall be available to the Trustee or the Holders or Couponholders, whether for the recovery of amounts owing in respect of the Capital Securities or the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Securities, the Coupons or the Trust Deed.

13. **Prescription**

Claims for principal and premium shall become void unless the relevant Capital Securities are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons (which for this purpose shall not include Talons) are presented for payment within five years of the appropriate Relevant Date. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 13 (Prescription) or Condition 10(a)(iii)(*Talons*).

14. **Replacement of Capital Securities, Coupons and Talons**

If any Capital Security, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require.

Mutilated or defaced Capital Securities, Coupons or Talons must be surrendered before replacements will be issued.

15. **Trustee and Paying Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Holders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Holders as a class and will not be responsible for any

consequence for individual holders of Capital Securities, Coupons or Talons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Paying Agency Agreement and in connection with the Capital Securities, Coupons and Talons, the Principal Paying Agent acts solely as agent of the Issuer and (to the extent provided therein) the Trustee and does not assume any obligations towards or relationship of agency or trust for or with any of the Holders or Couponholders.

The initial Principal Paying Agent and its initial Specified Office is listed in the Paying Agency Agreement. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint a successor principal paying agent and/or additional or other Paying Agent(s); **provided, however, that:**

- (a) the Issuer shall at all times maintain a principal paying agent;
- (b) the Issuer shall at all times maintain a paying agent in a jurisdiction within Europe other than the jurisdiction in which the Issuer is incorporated; and
- (c) so long as the Capital Securities are listed on any stock exchange, there will at all times be a paying agent (which may be the principal paying agent) having a specified office outside the Kingdom of Sweden in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

Notice of any change in the Principal Paying Agent or in its Specified Office shall promptly be given to the Holders.

16. **Meetings of Holders; Modification and Waiver; Issuer Substitution**

(a) ***Meetings of Holders***

The Trust Deed contains provisions for convening meetings of Holders to consider matters relating to the Capital Securities, including the modification of any provision of these Conditions, the Paying Agency Agreement or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Holders holding not less than one-tenth of the aggregate principal amount of the outstanding Capital Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing not less than half of the aggregate principal amount of the outstanding Capital Securities or, at any adjourned meeting, two or more persons being or representing Holders whatever the principal amount of the Capital Securities held or represented; **provided, however, that** certain proposals (including any proposal: to change any date fixed for payment of principal or interest in respect of the Capital Securities, to reduce the amount of principal or interest payable on any date in respect of the Capital Securities, to alter the method of calculating the amount of any payment in respect of the Capital Securities on redemption or maturity or the date for any such payment, provided however for the avoidance of doubt that a Benchmark Amendment and the selection of a Successor Rate, Alternative Rate or Adjustment Spread shall not constitute a Reserved Matter; to effect the exchange, conversion or substitution of the Capital Securities for, or the conversion of the Capital Securities into, shares, bonds, or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under Clause 6.3 of the Trust Deed); to change the currency of payments under the Capital Securities; or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Capital Securities form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Holders and Couponholders, whether present or not.

In addition, a resolution in writing and electronic consent signed by or on behalf of not less than three-quarters of Holders who for the time being are entitled to receive notice of a meeting of

Holders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) ***Modification and waiver***

The Trustee may, without the consent of the Holders or the Couponholders, agree to any modification of these Conditions, the Paying Agency Agreement or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee not materially prejudicial to the interests of Holders and to any modification of the Capital Securities, the Paying Agency Agreement or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Holders or the Couponholders, authorise or waive any proposed breach or breach of any Condition of the Capital Securities, the Paying Agency Agreement or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Holders will not be materially prejudiced thereby. Any such authorisation, waiver or modification shall be binding on the Holders and shall be notified to the Holders as soon as practicable thereafter unless the Trustee agrees otherwise. With respect to any such waiver, the Trustee shall not exercise any powers conferred upon it in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25 per cent. in aggregate principal amount of the Capital Securities then outstanding.

In addition, the Issuer may, in accordance with Condition 4(j), vary or amend these Conditions to give effect to any Benchmark Amendments without any requirement for the consent or approval of Holders or Couponholders as described in Condition 4(j) and the Trustee and the Paying Agents shall agree to effect such consequential amendments to the Trust Deed, the Paying Agency Agreement and these Conditions as the Issuer determines and certifies to the Trustee may be required in order to give effect to Condition 4(j). Any such Benchmark Amendments shall be notified to the Holders.

(c) ***Issuer Substitution***

The Trust Deed contains provisions requiring the Trustee, subject to such other conditions as the Trust Deed sets out but without the consent of the Holders to substitute any Subsidiary of the Issuer in place of the Issuer (or of any previous substitute under Clause 6.3 of the Trust Deed), as principal debtor under the Trust Deed and the Capital Securities. No Holder shall, in connection with any such substitution, be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Holders, except to the extent provided in Condition 11 (*Taxation*) (or any undertaking given in addition to or substitution of it pursuant to the provisions of the Trust Deed).

Any such substitution shall be binding on the Holders and shall be notified to the Holders as soon as practicable thereafter unless the Trustee agrees otherwise.

17. **Further Issues**

The Issuer may from time to time, without the consent of the Holders or the Couponholders and in accordance with the Trust Deed, create and issue Further Capital Securities having the same terms and conditions as the Capital Securities in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Capital Securities ("**Further Capital Securities**"). The Issuer may from time to time, with the consent of the Trustee, create and issue other series of Capital Securities having the benefit of the Trust Deed.

18. **Notices**

Notices to the Holders shall be valid if published in a leading newspaper having general circulation in the Republic of Ireland (which is expected to be the *Irish Times* or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe). Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders.

*So long as any of the Capital Securities are represented by a Global Capital Security, notices required to be published in accordance with Condition 18 (Notices) may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the relevant accountholders, provided: (i) that such notice is also delivered to Euronext Dublin; and (ii) so long as the Capital Securities are admitted to trading on the GEM and the rules of Euronext Dublin so require, publication will also be made in a leading daily newspaper having general circulation in the Republic of Ireland (which is expected to be the Irish Times). Any such notice shall be deemed to be given on the date of delivery to the relevant clearing system.*

19. **Currency Indemnity**

If any sum due from the Issuer in respect of the Capital Securities or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Capital Securities or the Issuer, the Issuer shall indemnify each Holder, on the written demand of such Holder addressed to the Issuer and delivered to the Issuer, or to the Specified Office of the Principal Paying Agent with its Specified Office in London against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Holder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof, on the date of such receipt. This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. **Governing Law and Jurisdiction**

(a) ***Governing law***

The Trust Deed, the Paying Agency Agreement, the Capital Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with any of them, are governed by, and shall be construed in accordance with, English law, other than the provisions of Condition 3(a) (*Rights on a winding-up or company re-construction*) and any non-contractual obligations arising out of or in connection with them which are governed by, and shall be construed in accordance with, the laws of Sweden.

(b) ***Jurisdiction***

The Issuer has irrevocably agreed for the benefit of the Trustee and the Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and/or the Capital Securities, the Coupons or the Talons, or any non-contractual obligation arising out of or in connection with them, and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Trustee and the Holders may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Trust Deed and the Capital Securities against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions if and to the extent permitted by law.

(c) ***Appointment of process agent***

The Issuer appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom as its agent for service of process, and undertakes that, in the event of such agent ceasing so to act, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

21. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Capital Securities or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

22. **Definitions**

In these Conditions:

**"5 Year EUR Mid-Swap Rate"** means, with respect to a Reset Period:

- (a) the mid swap rate for euro swap transactions with a maturity of 5 years ("**5 Year EUR Mid-Swap**"), as published on Reuters screen "**ICESWAP2**" under "**FIXED VS. 6M EURIBOR**" (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in Euro) (the "**Mid-Swap Page**"), as at approximately 11.00 a.m. (Central European time) on the Reset Interest Determination Date applicable to such Reset Period; or
- (b) if, on the Reset Interest Determination Date applicable to such Reset Period, no rate is calculated and published on the Mid-Swap Page, the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the bid and offered rates quoted by the Reset Reference Banks at approximately 11.00 a.m. (CET) on such Reset Interest Determination Date, for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which: (A) has a term of five years commencing on the relevant Reset Date; (B) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (C) has a floating leg (calculated on an Actual/360 day count basis) which is equivalent to six-month EURIBOR; provided that if fewer than two rates are so quoted, the 5 Year EUR Mid-Swap Rate shall be the last 5 Year EUR Mid-Swap Rate published in accordance with paragraph (a) above as determined by the Calculation Agent.

**"Authorised Signatory"** means any director or any other person or persons notified to the Trustee by any director as being an Authorised Signatory pursuant to Clause 5.16 of the Trust Deed;

**"Business Day"** means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and Stockholm and on which the TARGET System is open;

**"Calculation Agent"** means Deutsche Bank AG, London Branch, or any successor appointed in accordance with the Paying Agency Agreement;

**"Calculation Amount"** has the meaning given to it in Condition 4(a) (*Interest accrual*);

a **"Capital Event"** shall be deemed to occur if the Issuer has (either directly or via a publication by such Rating Agency) received confirmation from any Rating Agency providing a solicited rating at the invitation or with the consent of the Issuer, that due to any amendment to, clarification of or change in hybrid capital methodology or a change in the interpretation thereof, in each case occurring or becoming effective after the Issue Date, all or any of the Capital Securities will no longer be eligible (or if the Capital Securities have been partially or fully re-financed since the Issue Date and are no longer eligible for equity credit from such Rating Agency in part or in full as a result, all or any of the Capital Securities would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation had they not been re-financed) for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Capital Securities at the Issue Date (or if equity credit is not assigned to the Capital Securities by the relevant Rating Agency on the Issue Date, at the date on which equity credit is assigned by such Rating Agency for the first time);

**"Change of Control"** occurs when a person or persons, acting together, acquire (i) the beneficial ownership (directly or indirectly) of more than 50 per cent. of the total voting rights represented

by shares of the Issuer, or (ii) the power to appoint or remove the majority of the members of the board of directors of the Issuer;

**"Change of Control Event"** has the meaning ascribed to it in Condition 6(f) (*Redemption for Change of Control Event*);

**"Change of Control Notice"** has the meaning ascribed to it in Condition 6(f) (*Redemption for Change of Control Event*);

**"Change of Control Period"** means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant Change of Control and (B) the date of the earliest Potential Change of Control Announcement (as defined below), if any, and (ii) ending on the date which is the 120th day after the date of the first public announcement of the relevant Change of Control (such 120th day, the **"Initial Longstop Date"**); **provided that**, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Issuer, if a Rating Agency publicly announces that it has placed its rating of the Issuer under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall end on the later of (i) the Initial Longstop Date and (ii) the date falling 60 days after the date of such public announcement;

**"Change of Control Step-up Date"** shall be the date which is 30 days after the date following the expiry of the Exercise Period;

**"Code"** has the meaning given to it in Condition 10(c);

**"Conditions"** means these terms and conditions of the Capital Securities, as amended from time to time;

**"Coupon"** has the meaning given in the preamble to the Conditions;

**"Couponholders"** has the meaning given in the preamble to the Conditions;

**"continuing"** is an event or failure that has not been waived or remedied;

**"Deferral Notice"** has the meaning given in Condition 5(a) (*Optional Interest Deferral - Deferral of Interest Payments*);

**"Deferred Interest"** has the meaning given in Condition 5(a) (*Optional Interest Deferral - Deferral of Interest Payments*);

A **"Deferred Interest Payment Event"** means any one or more of the following events:

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

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;

- (ii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition that is executed in connection with, or for the purpose of (1) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer or (2) any share buyback programme then in force and duly approved by the shareholders' general meeting of the Issuer or the relevant Subsidiary of the Issuer (as applicable) or any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases of this (ii)(2), reserved for directors, officers and/or employees of the Issuer or the relevant Subsidiary of the Issuer or any associated hedging transaction; and
- (iii) in the case of (d) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Security below its par value;

"**EUR**" and/or "**euro**" means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended;

"**Capital Securities**" has the meaning given in the preamble to the Conditions;

"**EURIBOR**" means the month Euro Interbank Offered Rate;

"**Exercise Period**" means the period from the date on which the Change of Control Event occurred to the day which is the earlier of (a) 90 days after such date and (b) the last day on which holders of senior indebtedness of the Issuer, which have a right to put (a "**Put Option**") such senior indebtedness for redemption, exercisable upon the occurrence of a Change of Control Event, and to the extent they have exercised such Put Option within any applicable put option redemption period (howsoever described) have received the redemption proceeds.

"**FATCA Withholding**" has the meaning given in Condition 10(c);

"**Financial Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (e) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (f) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and
- (g) any amount raised by the issue of redeemable shares (including but not limited to redeemable preference shares), which are classified as borrowings under IFRS;

"**First Interest Payment Date**" has the meaning given to it in Condition 4(b) (*Interest Payment Dates*);

"**first currency**" has the meaning given to it in Condition 19 (*Currency Indemnity*);

**"First Optional Redemption Date"** means 2 March 2026;

**"First Reset Date"** means 2 June 2026;

**"First Step-up Date"** means 2 June 2031;

**"Fitch"** means Fitch Ratings Ltd;

**"Further Capital Securities"** has the meaning given in Condition 17 (*Further Issues*);

**"GEM"** has the meaning given in Condition 9(b) (*Cancellation of Capital Securities*);

**"Group"** means the Issuer and its respective Subsidiaries taken as a whole;

**"guarantee"** means, in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness including (without limitation):

- (a) any obligation to purchase such Financial Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and
- (d) any other agreement to be responsible for such Financial Indebtedness;

**"IFRS"** means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time);

**"Initial Interest Rate"** has the meaning given in Condition 4(c) (*Interest – Interest Rate*);

**"Interest Amount"** has the meaning given in Condition 4(e) (*Interest - Determination of Reset Interest Rates and Calculation of Interest Amounts*);

**"Interest Payment"** means, in respect the payment of interest on an Interest Payment Date, the amount of interest payable on the presentation and surrender of the Coupon for the relevant Interest Period in accordance with Condition 4 (*Interest*);

**"Interest Payment Date"** has the meaning given in Condition 4(b) (*Interest Payment Dates*);

**"Interest Period"** has the meaning given in Condition 4(b) (*Interest Payment Dates*);

**"Interest Rate"** means the Initial Interest Rate or the relevant Reset Interest Rate, as the case may be;

**"Investment Grade Rating Change"** means if any rating previously assigned to the Issuer by any Rating Agency is changed from an investment grade rating (being at least Baa3 by Moody's, BBB- by Fitch or BBB- by S&P) to a non-investment grade rating (being Ba1 or lower by Moody's, or BB+ or lower by Fitch or BB+ or lower by S&P);

**"Issue Date"** has the meaning given in Condition 4(b) (*Interest Payment Dates*);

**"Issuer Re-construction"** has the meaning given in Condition 3(a) (*Rights on a winding-up or company re-construction*);

**"Issuer Winding-up"** has the meaning given in Condition 3(a) (*Rights on a winding-up or company re-construction*);



**"Margin"** means:

- (a) in respect of the period from (and including) the First Reset Date to (but excluding) the First Step-up Date, 3.188 per cent.;
- (b) in respect of the period from (and including) the First Step-up Date to (but excluding) the Second Step-up Date, 3.438 per cent.; and
- (c) in respect of the period from (and including) the Second Step-up Date to (but excluding) the Maturity Date, 4.188 per cent.;

**"Maturity Date"** means 2 June 2081;

**"Moody's"** means Moody's Investors Services Ltd;

**"Ordinary Shares"** means ordinary shares in the capital of the Issuer.

**"Parity Securities"** or **"Parity Security"** means any obligations of:

- (i) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Securities (and which shall include, for so long as any of the same remain outstanding, the EUR 350,000,000 Subordinated Fixed to Reset Rate 5.5 year Non-Call Capital Securities due 2078 issued on 7 September 2017 (ISIN: XS1677911825)); and
- (ii) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Securities;

**"Person"** means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government (or any agency or political subdivision thereof) or other entity;

**"Potential Change of Control Announcement"** means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (where "near-term" shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within 120 days of the date of such announcement or statement);

**"Qualifying Capital Securities"** means securities that contain terms not materially less favourable to Holders than the terms of the Capital Securities (as reasonably determined by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing) and provided that a certification to such effect (and confirming that the conditions set out in (a) to (h) below will be satisfied by the Qualifying Capital Securities upon issue) of two Authorised Signatories of the Issuer shall have been delivered to the Trustee prior to the substitution or variation of the Capital Securities, provided that:

- (a) they shall be issued by the Issuer or by any wholly-owned direct or indirect finance Subsidiary of the Issuer with a guarantee of the Issuer; and
- (b) they (and/or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* on an Issuer Winding-up with the ranking of the Capital Securities; and
- (c) they shall contain terms which provide for the same interest rate from time to time applying to the Capital Securities and preserve the same Interest Payment Dates; and
- (d) they shall preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Capital Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption; and

- (e) they shall preserve any existing rights under the Capital Securities to any accrued interest, any Deferred Interest and any other amounts payable under the Capital Securities which, in each case, has accrued to Holders and not been paid; and
- (f) they shall not contain terms providing for the mandatory deferral of interest and shall not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (g) they shall, immediately after such exchange or variation, be assigned at least the same credit rating(s) by the same Rating Agencies as may have been assigned to the Capital Securities immediately prior to such exchange or variation (if any); and
- (h) they shall otherwise contain substantially identical terms (as reasonably determined by the Issuer) to the Capital Securities, save where any modifications to such terms are required to be made to avoid the occurrence or effect of, a Tax Deductibility Event, a Capital Event or, as the case may be, a Withholding Tax Event or, in the case of a Capital Event occurring following any relevant refinancing of the Capital Securities, to avoid any part of the aggregate principal amount of the Capital Securities which benefitted from equity credit by the relevant Rating Agency prior to the occurrence of the Capital Event being assigned a level of equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) that is lower than the equity credit assigned on the Issue Date (or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time); and
- (i) they shall be (A) listed on Euronext Dublin and admitted to trading on the GEM or (B) admitted to trading on any other regulated market or multilateral trading facility for the purposes of Directive 2014/65/EU (as amended) as selected by the Issuer on, or as soon as reasonably practicable after issue;

**"Rating Agency"** means each of Fitch, Moody's and S&P and any other rating agency of equivalent international standing requested by the Issuer to grant a corporate credit rating to the Issuer and, in each case, their successors or affiliates;

**"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (i) the rating previously assigned to the Issuer by any Rating Agency (at the invitation or with the consent of the Issuer) is withdrawn and not subsequently reinstated within the Change of Control Period or (ii) the non-investment grade rating previously assigned to the Issuer by any Rating Agency (at the invitation or with the consent of the Issuer) is lowered one rating category (for example, from Ba1/BB+ to Ba2/BB or such similar lower or equivalent rating) and not subsequently upgraded within the Change of Control Period or (iii) an Investment Grade Rating Change occurs and is not subsequently reinstated within the Change of Control Period, **provided that** a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the withdrawal or reduction was the result of the applicable Change of Control;

**"Relevant Date"** means:

- (i) in respect of any payment other than a sum to be paid by the Issuer in an Issuer Winding-up, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been duly received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders by or on behalf of the Issuer or the Trustee in accordance with Condition 18 (*Notices*); and
- (ii) in respect of any sum to be paid by or on behalf of the Issuer in an Issuer Winding-up, the date which is one day prior to the date on which an order is made or a resolution is passed for such Issuer Winding-up;

**"Reset Date"** means the First Reset Date and each fifth anniversary thereof up to and including 2 June 2076;

**"Reset Interest Determination Date"** means, with respect to a Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences;

**"Reset Interest Rate"** has the meaning given in Condition 4(d) (*Interest – Reset Interest Rate*);

**"Reset Period"** means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date thereafter;

**"Reset Reference Banks"** means four major banks in the European Interbank market selected by the Issuer;

**"S&P"** means S&P Global Ratings Europe Limited;

**"Second Step-up Date"** means 2 June 2046;

**"Special Event"** means any of a Tax Deductibility Event, a Substantial Repurchase Event, a Capital Event, a Withholding Tax Event, or any combination of the foregoing;

**"Subordinated Indebtedness"** means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Securities or to the obligations of the Issuer in respect of any Parity Securities;

**"Subsidiary"** means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control (directly or indirectly), whether by ownership of more than 50 per cent. of the share capital, contract, the power to appoint or remove the majority of members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

and includes any Person that is a Subsidiary of a Subsidiary;

a **"Substantial Repurchase Event"** shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Securities equal to or greater than 75 per cent. of the aggregate principal amount of the Capital Securities initially issued (which shall include, for these purposes, any Further Capital Securities);

**"TARGET System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto;

**"Talons"** has the meaning given in the preamble to these Conditions;

**"Tax Deductibility Event"** means the receipt by the Issuer of an opinion of counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, some or all of any interest payments under the Capital Securities were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer;

**"Tax Law Change"** means (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation, (b) any governmental action (c) or any amendment to, clarification of, or change in the application, official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or

regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the Issue Date;

"Taxes" has the meaning given in Condition 11 (*Taxation*); and

a "**Withholding Tax Event**" shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Securities, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Securities pursuant to Condition 11 (*Taxation*) and the Issuer cannot avoid the foregoing by taking reasonable measures available to it.

***The following text in italics does not form part of the Conditions:***

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

*The foregoing shall not apply if:*

- (a) *the rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least equal to the rating assigned by S&P to the Issuer on the date of the last additional hybrid issuance (excluding refinancings) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*
- (b) *the Capital Securities are not even assigned "minimal equity content" (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or*
- (c) *the Capital Securities are redeemed pursuant to Change of Control Event, Tax Deductibility Event, a Capital Event, a Substantial Repurchase Event or a Withholding Tax Event; or*
- (d) *less than (x) 10 per cent. of the aggregate principal amount of the outstanding hybrid capital issued by the Issuer is repurchased pursuant to Condition 9(a) in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the outstanding hybrid capital issued by the Issuer is repurchased in any period of 10 consecutive years; or*
- (e) *the relevant repurchase has followed an issuance of Ordinary Shares or other instruments which are granted on issuance high equity content where the amount of equity credit resulting from such issuance is equal to or more than the amount of equity credit assigned by S&P to the Capital Securities being repurchased at the time of their issuance; or*
- (f) *such replacement would cause the Issuer's outstanding hybrid capital which is assigned equity credit by S&P to exceed the maximum aggregate principal amount of hybrid capital which S&P, under its then prevailing methodology, would assign equity credit to, based on the Issuer's adjusted total capitalisation; or*
- (g) *if such redemption or repurchase occurs on or after the Second Step-up Date.*

*For the avoidance of doubt, the Issuer wishes to clarify that at any time, including during the period up to the fifth anniversary of the Issue Date, the Issuer shall not be required to replace the Capital Securities if paragraph (c), (e) or (f) above applies.*

*For the purposes of the foregoing, "equity credit" (or such similar nomenclature then used by S&P) describes:*

- (i) *the part of the nominal amount of the Capital Securities that was assigned equity credit by S&P at the time of their issuance; and*

- (ii) *the part of the net proceeds received from issuance of replacement hybrid securities or Ordinary Shares that was assigned equity credit by S&P at the time of their sale or issuance (or the equity credit S&P has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of equity credit by S&P on the issue date of such replacement hybrid securities).*

## SUMMARY OF PROVISIONS RELATING TO THE CAPITAL SECURITIES IN GLOBAL FORM

The Capital Securities will initially be in the form of a Temporary Global Capital Security, which will be deposited on or around the Closing Date with a common depository for Euroclear and Clearstream, Luxembourg.

The Temporary Global Capital Security will be exchangeable in whole or in part for interests in the Permanent Global Capital Security not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Capital Security unless exchange for interests in the Permanent Global Capital Security is improperly withheld or refused. In addition, interest payments in respect of the Capital Securities while they are represented by the Temporary Global Capital Security cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Capital Security will become exchangeable in whole, but not in part, for Capital Securities in definitive form ("**Definitive Capital Securities**") in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, at the request of the bearer of the Permanent Global Capital Security against presentation and surrender of the Permanent Global Capital Security to the Principal Paying Agent if either of the following events (each, an "**Exchange Event**") occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Default and Enforcement*) occurs.

So long as the Capital Securities are represented by the Temporary Global Capital Security or the Permanent Global Capital Security and the relevant clearing system(s) so permit, the Capital Securities will be tradeable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000, notwithstanding that no Definitive Capital Securities will be issued with a denomination above EUR 199,000.

Whenever the Permanent Global Capital Security is to be exchanged for Definitive Capital Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Capital Securities, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Capital Security to the bearer of the Permanent Global Capital Security against the surrender of the Permanent Global Capital Security to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Capital Security and the Permanent Global Capital Security will contain provisions which modify the Conditions of the Capital Securities as they apply to the Temporary Global Capital Security and the Permanent Global Capital Security. The following is a summary of certain of those provisions:

**Payments:** All payments in respect of the Temporary Global Capital Security and the Permanent Global Capital Security will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of such Temporary Global Capital Security or (as the case may be) such Permanent Global Capital Security to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Capital Securities.

**Payments on business days:** In the case of all payments made in respect of the Temporary Global Capital Security and the Permanent Global Capital Security "business day" means any day on which the TARGET System is open.

**Notices:** Notwithstanding Condition 18 (*Notices*), while all the Capital Securities are represented by the Permanent Global Capital Security and/or the Temporary Global Capital Security and such Permanent Global Capital Security and/or Temporary Global Capital Security is deposited with a common depository for Euroclear and Clearstream, Luxembourg, notices to Holders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Holders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

## **USE OF PROCEEDS**

The proceeds of the issue of the Capital Securities, expected to amount to EUR 499,990,000 from which will be deducted the combined management and underwriting commission and the other expenses incurred in connection with the issue of the Capital Securities, shall be used for general corporate purposes.

## DESCRIPTION OF THE ISSUER

Prospective investors should have regard to the description of the Issuer, its operations, its financial and capital structure, its industry, its Board of Directors and its senior management (among other matters) described under the sections headed:

- (a) "*Description of Fastighets AB Balder*" on pages 101 to 103 of the Base Prospectus;
- (b) "*Selected Financial Information and Key Financial Ratios of the Group*" on page 106 of the Base Prospectus;
- (c) "*Business Model and Strategy*" on pages 107 to 111 of the Base Prospectus;
- (d) "*Property Market Overview*" on pages 112 to 113 of the Base prospectus;
- (e) "*Group Property Portfolio*" on pages 114 to 124 of the Base Prospectus;
- (f) "*Financial and Capital Structure*" on pages 125 to 127 of the Base Prospectus;
- (g) "*Share Structure and Shareholders*" on pages 128 to 129 of the Base Prospectus;
- (h) "*Board of Directors, Senior Management and Corporate Governance*" on pages 130 to 135 of the Base Prospectus;
- (i) "*Glossary of Terms*" on pages 136 to 138 of the Base Prospectus; and
- (j) "*Recent Developments*" on page 3 of the supplement to the Base Prospectus dated 22 December 2020,

which are incorporated by reference into these Listing Particulars.

On page 135 of the Base Prospectus, in the section "*Board of Directors, Senior Management and Corporate Governance*" the following paragraph shall be deemed inserted below the paragraph entitled "*Recent Developments*":

"On 15 February 2021, the prosecutor of the Swedish Crime Authority told Fastighetsvärlden, a Swedish business magazine and daily news letter, that another investigation has recently been added in the investigation into suspected insider trading against Marcus Hansson, Head of Finance of Balder. In addition, the prosecutor stated that Marcus Hansson had also been notified of suspicion of unauthorized disclosure of information. Marcus Hansson has denied all criminal suspicions against him."



## TAXATION

The following is a general description of certain tax considerations relating to the Capital Securities. It does not purport to be a complete analysis of all tax considerations relating to the Capital Securities whether in those countries or elsewhere. Prospective purchasers of Capital Securities should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Kingdom of Sweden of acquiring, holding and disposing of Capital Securities and receiving payments of interest, principal and/or other amounts under the Capital Securities. This summary is based upon the law as in effect on the date of these Listing Particulars and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Capital Securities, or any person through which an investor holds Capital Securities, of a custodian, collection agent or similar person in relation to such Capital Securities in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

### Swedish Taxation

#### *Non-resident holders of Capital Securities*

As used herein, a non-resident holder means a holder of Capital Securities who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Capital Securities, or (b) an entity not organised under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Capital Securities should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Capital Securities are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Capital Securities.

Private individuals who are not resident in the Kingdom of Sweden for tax purposes may be liable to capital gains taxation in the Kingdom of Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in the Kingdom of Sweden or have lived permanently in the Kingdom of Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption.

#### *Resident holders of Capital Securities*

As used herein, a resident holder means a holder of Capital Securities who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) that are resident holders of any Capital Securities, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Capital Securities) will be taxable.

If the Capital Securities are registered with Euroclear Sweden AB or held by a Swedish nominee in accordance with the Swedish Financial Instruments Accounts Act (SFS 1998:1479), Swedish preliminary taxes are withheld by Euroclear Sweden AB or by the nominee on payments of amounts that are considered to be interest for Swedish tax purposes to a private individual (or an estate of a deceased individual) that is a resident holder of any Capital Securities.

#### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it shall not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Capital Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Capital Securities should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Capital Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, established in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EEA Member States may decide to participate and certain of the participating Member States may decide to withdraw.

Prospective holders of the Capital Securities are advised to seek their own professional advice in relation to the FTT.

## **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Kingdom of Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Capital Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Capital Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Capital Securities, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Capital Securities issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Capital Securities.

## SUBSCRIPTION AND SALE

Danske Bank A/S, Deutsche Bank Aktiengesellschaft, Nordea Bank Abp, and Skandinaviska Enskilda Banken AB (publ) (the "**Joint Bookrunners**") have, in a subscription agreement dated 26 February 2021 (the "**Subscription Agreement**") and made between the Issuer and the Joint Bookrunners upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Capital Securities at their issue price of 99.998 per cent. of their principal amount less a combined management and underwriting commission. The Issuer has also agreed to reimburse the Joint Bookrunners for certain expenses incurred in connection with the management of the issue of the Capital Securities. The Joint Bookrunners are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Capital Securities.

### **General**

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Bookrunners that would, or is intended to, permit a public offering of the Capital Securities, or possession or distribution of these Listing Particulars or any related offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands these Listing Particulars comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Capital Securities or have in their possession or distribute or publish these Listing Particulars or any offering material relating to the Capital Securities, in all cases at their own expenses.

### **Prohibition of sales to EEA Retail Investors**

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the EEA. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

### **United Kingdom**

#### ***Prohibition of sales to UK Retail Investors***

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the United Kingdom. For the purposes of this provision the expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

#### ***Other UK regulatory restrictions***

Each Joint Bookrunner has further represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Capital Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Capital Securities in, from or otherwise involving the UK.

### **United States of America**

The Capital Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Capital Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Capital Securities, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Capital Securities, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Capital Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Capital Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **The Kingdom of Sweden**

Each Joint Bookrunner has agreed that it will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or purchase or sell the Capital Securities or distribute any draft or definitive document in relation to any such offer, invitation or sale in Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of Regulation (EU) 2017/1129 nor any Swedish enactment. Neither the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) nor any other Swedish public body has examined, approved or registered these Listing Particulars or will examine, approve or register these Listing Particulars.

### **General**

Each Joint Bookrunner has represented, warranted and agreed that to the best of its knowledge and belief it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Capital Securities or possesses, distributes or publishes these Listing Particulars or any other offering material relating to the Capital Securities. Persons into whose hands these Listing Particulars comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Capital Securities or possess, distribute or publish these Listing Particulars or any other offering material relating to the Capital Securities, in all cases at their own expense.

## GENERAL INFORMATION

### Authorisation

1. The creation and issue of the Capital Securities has been authorised by a resolution of the Board of Directors of the Issuer dated on 11 February 2021.

### Listing

2. Application has been made to Euronext Dublin for the Capital Securities to be admitted to the Official List and to trading on the GEM; however, no assurance can be given that such application will be accepted. It is expected that admission of the Capital Securities to the Official List and to trading on the GEM will be granted on or about 2 March 2021, subject only to the issue of the Capital Securities. The total expenses related to the admission to trading of the Capital Securities are expected to be approximately EUR 5,140.

### Legal and Arbitration Proceedings

3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position or profitability of the Group.

### Significant/Material Change

4. Save as disclosed in the section "*Risk Factors – Factors that may affect the Issuers' and, as the case may be, the Guarantor's ability to fulfil its obligations under Notes issued under the Programme - The ongoing uncertainty and volatility in the financial markets and the state of the global economic recovery may adversely affect Balder's operations*" on pages 15 to 16 of the Base Prospectus, there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2019 and nor has there been any significant change in the financial or trading position of the Issuer or the Group since 31 December 2020.

### Auditors

5. The consolidated financial statements of Fastighets AB Balder have been audited without qualification for the years ended 2019 and 2018 by Öhrlings PricewaterhouseCoopers AB (PwC), chartered accountants and members of the Swedish Organisation of Certified Public Accountants (*Foreningen for Auktoriserade Revisorer*, or FAR) and the Swedish Organisation of Auditors (*Svenska Revisorsamfundet* or SRS).

### Documents on Display

6. For as long as the Capital Securities are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, the following documents are available for viewing at Fastighets AB Balder's website (<https://en.balder.se/>):
  - (a) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Fastighets AB Balder in respect of the year ended 31 December 2018;
  - (b) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Fastighets AB Balder in respect of the year ended 31 December 2019;
  - (c) the constitutive documents of the Issuer; and
  - (d) the Paying Agency Agreement and the Trust Deed.

### Yield

7. On the basis of the issue price of the Capital Securities of 99.998 per cent. of their principal amount, the yield of the Capital Securities is 2.875 per cent. on an annual basis.

### **Legend Concerning US Persons**

8. The Capital Securities and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

### **ISIN and Common Code**

9. The Capital Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN of the Capital Securities is XS2305362951 and the common code of the Capital Securities is 230536295. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

### **Dealing by Joint Bookrunners**

10. Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Bookrunners and their affiliates may have positions, deal or make markets in the Capital Securities, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Capital Securities. Any such positions could adversely affect future trading prices of the Capital Securities. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Enforcement by the Trustee**

11. The Conditions provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or prefunded and/or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Capital Securities and accordingly in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

### **Foreign Language Text**

12. The language of these Listing Particulars is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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